

Notice

MAHINDRA & MAHINDRA LIMITED

THE SIXTY-SEVENTH ANNUAL GENERAL MEETING OF MAHINDRA & MAHINDRA LIMITED will be held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai-400 020 on Tuesday, the 13th day of August 2013 at 3.30 p.m. to transact the following businesses:

1. To receive and adopt the audited Balance Sheet as at 31st March 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Ordinary (Equity) Shares.
3. To appoint a Director in place of Mr. Anand G. Mahindra, who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Nadir B. Godrej, who retires by rotation and, being eligible, offers himself for re-election.
5. To appoint a Director in place of Mr. Anupam Puri who retires by rotation and, being eligible, offers himself for re-election.

6. To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

"RESOLVED that Dr. A. S. Ganguly, a Director liable to retire by rotation, who does not seek re-appointment, be not re-appointed a Director of the Company.

FURTHER RESOLVED that the vacancy, so created on the Board of Directors of the Company, be not filled."

7. To consider and, if thought fit, to pass, with or without modification(s), the following as an Ordinary Resolution:

"RESOLVED that pursuant to section 224 of the Companies Act, 1956, Messrs Deloitte Haskins & Sells, Chartered Accountants (ICAI Registration Number 117364W), the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be Incurred by them during the course of the Audit."

Notes:

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
- B. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time for holding the Meeting.

- C. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Sharepro Services (India) Private Limited having their Registered Office at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072.
- D. The Register of Members and Transfer Books of the Company will be closed from 20th July 2013 to 13th August 2013 (both days inclusive).
- E. The dividend, if declared at the Annual General Meeting, would be paid/despached on and after 14th August 2013 to those persons or their mandates:
 - (a) whose names appear as Beneficial Owners as at the end of the business hours on 19th July 2013 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic mode; and
 - (b) whose names appear as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/its Registrar and Transfer Agents on or before 19th July 2013.
- F. Under the Companies Act, 1956 dividends that are unclaimed for a period of seven years are required to be transferred to the Investors Education and Protection Fund (IEPF) administered by the Central Government. An amount of Rs. 50,19,755 being unclaimed dividend of the Company for the Financial Year ended 31st March 2005 was transferred in September 2012 to IEPF and no claim lies against the Company in respect thereof.

Due dates of transferring unclaimed and unpaid dividends declared by the Company for the Financial Year 2005-06 and thereafter to IEPF:

Financial Year ended	Date of declaration of dividend	Last date for claiming unpaid/ unclaimed dividend
31 st March 2006	26 th July 2006	24 th August 2013
31 st March 2007 – (Interim Dividend)	21 st March 2007	19 th April 2014
31 st March 2007	30 th July 2007	30 th August 2014
31 st March 2008	30 th July 2008	28 th August 2015
31 st March 2009	30 th July 2009	30 th August 2016
31 st March 2010	28 th July 2010	26 th August 2017
31 st March 2011	8 th August 2011	6 th September 2018
31 st March 2012	8 th August 2012	6 th September 2019

Members who have not encashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim to Sharepro Services (India) Private Limited well in advance of the above due dates. It may be noted that once the amounts in the unpaid dividend accounts are transferred to IEPF, no claim shall lie against the IEPF or the Company in respect thereof and the Members would lose their right to claim such dividend.

- G. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of section 109A of the Companies Act, 1956. Members desiring to avail of this facility may send their nomination in the prescribed Form No. 2B duly filled in to Sharepro Services (India) Private Limited at the above mentioned address. Members holding shares in electronic mode may contact their respective Depository Participants for availing this facility.
- H. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agents for payment of dividend through Electronic Mode to investors wherever bank details are available. In the absence of Electronic Clearing Services (ECS) facilities, the Company will print the bank account details, if available, on the payment instrument for distribution of dividend. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. Members who wish to change such bank account details are therefore requested to advise their Depository Participants about such change, with complete details of bank account.
- I. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/ National Electronic Clearing Service (NECS). The ECS facility is available at Ahmedabad, Bengaluru, Bhubaneshwar, Chandigarh, Chennai, New Delhi, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, Patna, Pune and Thiruvananthapuram. Members wishing to avail of this facility are requested to intimate the Company's Registrar and Transfer Agents/Depository Participants in the prescribed form and with the prescribed details. Members located in places where ECS/NECS facility is not available may submit their bank details. This will enable the Company to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.
- J. The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the companies and has issued Circulars allowing companies to send official documents to their Shareholders electronically.

In support of the Green Initiative, your Company has sent e-mail to the Members at their e-mail addresses

available in the records of the Company informing them about the Company's proposal to send the documents like Notice calling the Annual General Meeting and Annual Report containing Balance Sheet, Statement of Profit & Loss and Directors' Report, etc. for the year ended 31st March 2013 and other communication, in electronic form.

These Members were also given an option to receive the documents in physical form. Accordingly, the Annual Report for the year 2012-13, Notice for the Annual General Meeting, etc. would be sent in electronic mode to such of the Members of the Company who do not opt to receive the same in physical form.

Members are requested to support this Green Initiative by registering/updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with Sharepro Services (India) Private Limited (in case of Shares held in physical form).

- K. Members are requested to:
- intimate to the Company's Registrar and Transfer Agents, Sharepro Services (India) Private Limited at the above mentioned address, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
 - intimate to the respective Depository Participant, changes, if any, in their registered addresses at an early date, in case of Shares held in dematerialised form;
 - quote their folio numbers/Client ID/DP ID in all correspondence; and
 - consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.

L. Re-appointment of Directors

Mr. Anand G. Mahindra holds 6,75,004 Ordinary (Equity) Shares, Mr. Nadir B. Godrej holds 3,25,591 Ordinary (Equity) Shares and Mr. Anupam Puri does not hold any Ordinary (Equity) Shares of Rs. 5 each in the Company.

None of the Directors of the Company are inter-se related to each other.

In respect of the information to be provided under Clause 49 of the Listing Agreement pertaining to the Directors being re-appointed, Members are requested to kindly refer the Chapter on Corporate Governance in the Annual Report.

By Order of the Board

NARAYAN SHANKAR
Company Secretary

Registered Office:

Gateway Building,
Apollo Bunder,
Mumbai-400 001.

e-mail: investors@mahindra.com

10th June 2013

MAHINDRA & MAHINDRA LTD.
ANNUAL REPORT 2013

Mahindra

Mahindra

REPORT JUNCTION.COM

**A NEW IDENTITY
FOR A CHANGING WORLD**



A New Identity for a Changing World

Mahindra has changed. Or rather, the Mahindra word mark has changed. It's changed subtly. It's changed by evolution rather than revolution. But it has changed, nevertheless.

Take a look at the cover. Our new Visual Identity is clearly based on the familiar, original Mahindra word mark and all that it stands for – solidity, reliability, warmth, integrity. But it also reflects the evolving diversity of the Mahindra Group. It is more modern, more edgy, more sleek. The lettering is more contemporary. The red colour is brighter, more energetic. The ridge in the lower corner is a unique brand identifier and its upward shape, sloping like a Himalayan mountain range, conveys the idea of Rise. These images represent, visually, the changes that our business is making to embrace and shape the future.

And these changes are visible and quantifiable. The Mahindra Group has evolved enormously since the turn of the Millennium, when the visual identity was last refreshed. Gross Group revenues have grown more than 12 times, Group profits by a whopping 60 times. The Group market cap has grown from a couple of hundred million dollars to 19 billion dollars today. The number of Business-to-Consumer (B2C) businesses has tripled from 5 to 15 plus. For decades we were known as a predominantly manufacturing company. Today, we are leaders in cutting edge fields like IT and technology. The global footprint has expanded. At that time, we had a presence in a handful of countries. Now, the Group presence extends to more than a hundred countries. Today, we are a global Group that is all about using technology and innovation to empower people everywhere to succeed. It is time for our visual identity to reflect this change.

The visual identity is also a way by which people engage with the brand. Social media has made people more conscious of visual signals and graphics. The profile of our public is also changing. It is more international, more media savvy. The demographic includes many more young people. Women are an important segment of the consumer population. The brand has to speak to all these consumers as well.

The new word mark addresses all these issues, without forsaking the qualities Mahindra will always stand for - integrity, trust, relationships. Building on this base, it adds the virtues of modernity, technology and human empowerment.

The word Mahindra today represents more than M&M alone. It represents the Mahindra Group – a Group in whose prosperity M&M shareholders will share, through the parent company's investments in Group companies. This word mark will therefore be common for all companies across the Group. The millennium infinity logo will now be used by the mobility related businesses, as a product badge. The changeover will be gradual and with minimal expenditure.

We have an aspiration to be one of the top 50 most admired global brands by 2021. To be an iconic global brand, we need to do a lot of things and do them right. One of these is to present our brand in the best possible manner. Our new identity is grounded in our past achievements but also visibly shows the world that we are building on our roots to grow into something new and innovative, interacting dynamically with the changes around us. The roots remain firm, while the tree soars and spreads.



**Anand G. Mahindra**

Dear Shareholders,

It is a privilege for me to address this first letter to you as Chairman of M&M.

M&M has always had a close and cordial bond with its shareholders, and this is a tradition I am delighted to continue. Thank you for the support you have always rendered to the Board, and the encouragement and affection you have showered upon me personally. I look forward to a long and rewarding association with all of you.

When I took over as Chairman last year, someone asked me what would change. My first off-the-cuff reaction was, nothing - nothing would really change. I would continue to have the operational responsibility I have been holding since 1997. Energising the organisation would still continue to be the most important part of my job. I would still have to earn my salary by looking into the crystal ball of the future and trying to steer the organisation through the shoals and opportunities lying ahead of us.

But on deeper reflection I realised that something would indeed change and change very fundamentally. There is a story of how US President Harry Truman had a plaque on his desk that said 'The buck stops here.' Well, an identical plaque has now earned a place on my desk. While I always hope to enjoy the blessing and guidance of our Chairman Emeritus, and the direction of the Board, the hard fact is that, for the first time, the buck now stops with me.

And with the stopping of the buck, I am acutely aware that the task of preserving, protecting, nurturing and growing the finest attributes of the Mahindra Group has devolved on me. There are many important things that have to be preserved and strengthened. For me, one of the most critical is good governance. Good governance has always been the hallmark of the Group. Measures to ensure high standards of governance were implemented within the company long before they were mandated by law. It is one of my topmost priorities to ensure that this great tradition of impeccable governance continues and strengthens and that the Mahindra Group preserves and enhances its reputation for clean administration, fair dealing and transparency.

I am also acutely aware that the Mahindra Group has a precious legacy of values, social consciousness, and integrity that has come down to us from the days of the founders, and is personified by our Chairman Emeritus. This legacy is not just a source of great pride; it is almost the birthright of our shareholders, employees, partners and other stake holders. It is a legacy I pledge to strengthen and deepen.

And thirdly, I pledge performance. Performance has also been the hallmark of the Mahindra Group in the 21st century. Gross Group revenues have grown more than 12 times, Group profits by a whopping 60 times. The Group market cap has grown from a couple of hundred million dollars to 19 billion dollars today. The number of Business-to-Consumer (B2C) businesses has tripled from 5 to 15 plus. At that time, we had about 19000 associates.

Now, Group wide, we employ over 1,50,000 people. At that time, we had a handful of foreign associates. Today, we employ people from 11 countries. For decades we were known as a predominantly manufacturing company. Now we are a multi-sectoral Group. The global footprint has expanded. At that time, we had just four businesses abroad. Now, the Group presence extends to more than a hundred countries. Today, we are a global Group that is all about using technology and innovation to empower people everywhere to succeed. It has been an era of innovation and growth, and I feel incredibly fortunate to have been a 'hands-on' part of it.

This is the performance that I pledge to keep up and improve upon. And I say that we will better it with a certain level of confidence, for many reasons.

First, because I believe that we have created an ecosystem within the organisation where human potential can flourish. I am often asked what my vision is for the future of the Mahindra Group. I don't think I would describe my vision in monetary terms. Rather, I would say that my vision for the company is that it should be a workplace where entrepreneurship can thrive. A place where people are empowered to achieve everything they are capable of achieving. If I may be permitted to wax poetic, my vision would be to create a fertile field of dreams where people can sow the seeds of their talent and nurture it to full flower. If we provide this ecosystem, people *will* do well, people *will* harness their talents to the company's cause, and the results *will* follow.

Second, we will do well because we have a secret weapon. We are purpose-driven. We have a larger purpose in the form of our Rise philosophy. A colleague has put up a story on our internal website, which tells of a journalist in the 1960's (when America was striving to be the first country to put a man on the moon) who saw a man driving a truck in the NASA compound. He asked him what his job was. The truck driver replied, "My job is to put a man on the moon". I can't think of a better example of a purpose-driven person. Here was a humble truck driver - who didn't see his job as driving a truck. He saw himself as part of a larger and much more audacious mission – putting a man on the moon. The Rise philosophy also does that to people. People in the Mahindra Group too, see themselves as working for something much larger and more compelling than profits or even their own advancement. They see their job as helping people everywhere to Rise.

And the third reason I am confident we will maintain and better our performance, is that we have the audacity of ambition to drive us. Around the end of the first decade of the 21st century, the top 500 managers of the Mahindra Group worldwide asked themselves, "What do we want to achieve by the end of the second decade? Where do we want to be in 2021?" The answer, not surprisingly, was not couched in monetary terms. They didn't want to be, say, a 50 billion dollar global Group. Rather, 'Aspiration 2021' which they co-created after intense debate, says "We will be among the top 50 most admired Groups in the world by 2021; and we will do this by helping people everywhere, to Rise". Considering that we are today still a predominantly India-based Group, that is a very bold aspiration indeed in a ten year time frame. But knowing what our people are capable of, it would be no surprise, if we do achieve it.

I take over at a difficult time. If one were to go by the headlines and talking heads on TV, there seems to be nothing but bad news all around. Political dramas are unfolding everywhere. A controversy a day seems to be the new normal. The share market is volatile and the macroeconomic statistics seem to be heading south. Contrary to the prevailing pessimism however, I continue, as always, to be bullish on India.

The cacophony of democracy in action tends to drown out the good news – and there is much good news. Good news, such as inflation is moderating. Good news, in that the fiscal deficit is now getting the focus it was crying out for. Good news, such as the fact that while India's growth rate has slowed down, it is still higher than growth rates almost anywhere else in the world. The even better good news is that population growth rates are declining, and as a result, per capita income growth rates are accelerating.

Yes, there are good things happening from an economic perspective, and what we require now, is to remove the bottlenecks to growth, to accelerate investment, especially in areas like infrastructure and manufacturing, which have a multiplier effect on growth, and to implement reforms faster and more visibly.

But my real cause for optimism is due to dramatic changes in the social arena. I believe we are entering into a new Age of Accountability.

The dramatic growth in digital and social media has provided the rising, educated middle class with a potent weapon to demand accountability from public figures. Those in a position of public responsibility - politicians, bureaucrats and corporations - are seeing a mirror held up to them, and hearing the increasingly vociferous calls for meeting expectations for an improved quality of life.

At the risk of being accused of naïveté, I believe public figures will have to heed this call for transparency and for higher levels of performance of their duties. As this evolution of accountability takes shape, I believe India will once again become the cynosure of global attention and investment. The much-touted demographic dividend will finally come through and India should return to a much higher trajectory of growth.

As I write this, the rain is pelting down outside, and we are celebrating the highest rainfall in 22 years. After the long hot summer, the rains always bring welcome relief and that is why they are considered so auspicious. I am optimistic that these rains are a good augury for India and the future.

I am aware that I have taken over at a time of substantial macroeconomic strain. In fact, it is a joke within our Group that I always seem to take on a new assignment in the midst of a crisis. When I joined MUSCO in 1981, the steel industry was in crisis. When I became Dy. MD in 1991, M&M faced a challenge to its very existence, with the onset of liberalisation. When I became MD in 1997, Asia was in economic crisis, and India was feeling the effect. And since I have become Chairman, Indian business has been under siege due to global and domestic factors. So, I can humbly claim to be familiar with crises.

Today, the greatest challenge we face, is to achieve continuous growth in a discontinuous world. It is a tough task, but I believe we are up to the challenge. I believe we have the right combination of ambience, altruism and ambition to do great deeds and to continue performing in the future, as we have in the past. I do not underestimate the difficulties of doing this, but with your support and blessings, we will give it our best shot, and I am confident we will succeed.

With best wishes,



Anand G. Mahindra

Board of Directors



Dr. Vishakha Desai[^]



Vikram Mehta[^]



D. Vijayalakshmi^{*}

Standing: R. K. Kulkarni, Deepak S. Parekh, M. M. Murugappan, A. K. Nanda, A. S. Ganguly, Nadir B. Godrej
Seated: Keshub Mahindra^{**}, Anupam Puri, Narayanan Vaghul, Anand G. Mahindra, Bharat Doshi

[^] Appointed as Directors with effect from 30th May 2012.

^{**} Ceased to be Chairman and Director with effect from the conclusion of the 66th Annual General Meeting held on 8th August 2012.

^{*} Appointed as Director with effect from 25th October 2012 and ceased to be Director with effect from 5th June 2013.

Group Executive Board



Left to Right:

Front Row: **Rajan Wadhera**, Chief Executive - Technology, Product Development & Sourcing, (Automotive & Farm Equipment Sectors), **Harsh Kumar**, Managing Director - Mahindra Intertrade Limited, **Ruzbeh Irani**, Chief Executive - International Operations, (Automotive & Farm Equipment Sectors), **Ramesh Iyer**, CEO - Financial Services Sector & Managing Director - Mahindra & Mahindra Financial Services Limited, **V S Parthasarathy**, Group CIO, Executive Vice President - Group M&A, Finance & Accounts, **Pawan Goenka**, President (Automotive and Farm Equipment Sectors), **Anita Arjundas**, Managing Director - Mahindra Lifespace Developers Limited & CEO Real Estate Sector

Second Row: **Pravin Shah**, Chief Executive - Automotive Division, **Rajiv Sawhney**, Managing Director & CEO, Mahindra Holidays & Resorts India Limited, **Ulhas N. Yargop**, President, IT Sector & Group CTO, **C. P. Gurnani**, CEO - Mahindra Satyam and Managing Director & CEO - Tech Mahindra, **Shriprakash Shukla**, President - Group Strategy, Defence Sector and Chief Brand Officer, **Rajesh Jejurikar**, Chief Executive - Tractor & Farm Mechanisation, **Zhooben Bhiwandiwalla**, Executive Vice President - Group Legal, Managing Partner - Mahindra Partners

Third Row: **K. Ramaswami**, Managing Director & Executive Director - Mahindra Forging & Mahindra Hinoday Industries, **Hemant Luthra**, President (Systech Sector), **Anand G. Mahindra**, Chairman & Managing Director, Mahindra & Mahindra Limited, **Bishwambhar Mishra**, Director - MIQ, **Anoop Mathur**, President (Two-Wheeler Sector), **Romesh Kaul**, Global Chief Executive Officer - Gears Business, Systech Sector, **S. Durgashankar**, Executive Vice President - Mergers & Acquisitions & Secretarial, **Ashok Sharma**, Chief Executive - Auto & Farm Strategy, Agri and Allied Business, **Bharat Doshi**, Executive Director & Group CFO, **Rajeev Dubey**, President (Group HR, Corporate Services & After-Market), **Yoo-il Lee**, President & CEO, Ssangyong Motor Company

Mahindra inaugurates a world-class tractor plant in Andhra Pradesh



Mr. Anand Mahindra, Chairman and Managing Director, Mahindra & Mahindra Ltd., Honourable Chief Minister of Andhra Pradesh, Shri Kiran Kumar Reddy (at the wheel of the tractor) and Honourable Dr. J. Geeta Reddy, Minister for Major Industries, Sugar, Commerce & Export Promotion, Government of Andhra Pradesh (to his left) at the inauguration of Mahindra's new tractor plant in Zaheerabad.

CSR

At the Mahindra Group, Corporate Social Responsibility or CSR is an integral part of business and the key motivation behind its desire to drive positive change. The key focus areas of the Mahindra Group's CSR programme are Education, Public Health and the Environment.

Some of the Group's CSR related programmes include **Nanhi Kali**, a holistic sponsorship project which provides educational support, both academic & material, to over 75,000 underprivileged girls from poor urban, remote rural, tribal and conflict afflicted communities across 9 states of India and the **Mahindra Pride Schools** which offer livelihood training to youth hailing from socially and economically disadvantaged sections of society. On its 62nd Founders' Day, the Group launched **Mahindra Hariyali** with a pledge to add one million trees to India's green cover every year.

Since 2007, Mahindra has also supported Impact India's **Lifeline Express**, the world's first hospital on a train, which aims to eradicate avoidable disablement in rural India where medical facilities are scarce. The **Esops** or **Employee Social Options Programme** also sees Mahindraites from across the Group devoting their personal time and energy in aid of the underprivileged. From blood donation drives to health education and check-ups, Esops volunteers touch thousands of lives each year.

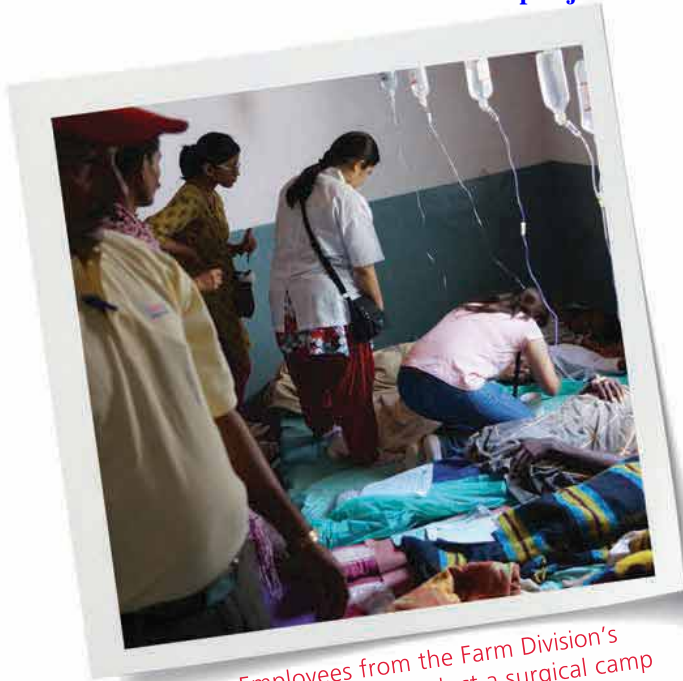
As you can see from the photographs on the following pages, at Mahindra, the spirit of seva bhavana is clearly alive and well.



Mahindra Hariyali – Employees at Mahindra Forgings, Chakan add to Mother Earth's green cover



Employees from the Automotive Division's Igatpuri plant distribute educational material to school children



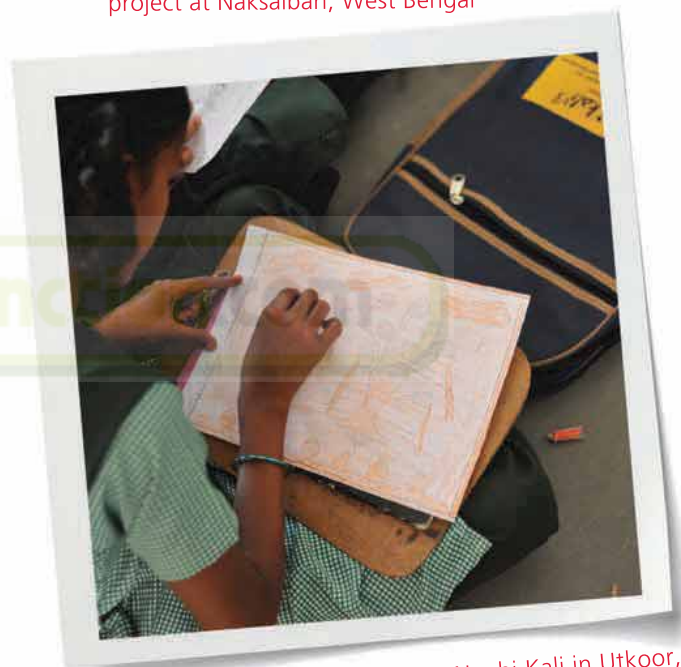
Employees from the Farm Division's Nagpur plant conduct a surgical camp



Dental Check-up during the Lifeline Express project at Naksalbari, West Bengal



Safety Workshop conducted by Mahindra Gears, Rajkot



Creative expressions by a Nanhi Kali in Utkoor, Mahbubnagar district, Andhra Pradesh



A health camp organised by the Swaraj Division, Mohali



Nanhi Kalis run to win at the Zilla Parishad Girls High School in Utkoor, Mahbubnagar district, Andhra Pradesh



Live Cookery Session with Chef Paul from Courtyard Marriott, at the Mahindra Pride School, Chennai



Mahindra Pride School Chennai Alumnus, Ashok, at his workplace - the Mom & Me store in Chennai



A patient gets his ear examined at the Lifeline Express camp at Naksalbari, West Bengal

COMMITTEES OF THE BOARD**Audit Committee**

Mr. Deepak S. Parekh
Chairman
Mr. Nadir B. Godrej
Mr. M. M. Murugappan
Mr. R. K. Kulkarni

**Share Transfer and Shareholders/
Investors Grievance Committee**

Mr. A. K. Nanda
Chairman
Mr. Anand G. Mahindra
Mr. Bharat Doshi
Mr. R. K. Kulkarni

**Governance, Remuneration and
Nomination Committee**

Mr. Narayanan Vaghul
Chairman
Mr. Nadir B. Godrej
Mr. M. M. Murugappan
Mr. R. K. Kulkarni

**Corporate Social Responsibility
Committee**

Mr. Anand G. Mahindra
Chairman
Mr. Bharat Doshi
Mr. A. K. Nanda
Mr. R. K. Kulkarni
Dr. Vishakha N. Desai

Strategic Investment Committee

Mr. Anand G. Mahindra
Chairman
Mr. Bharat Doshi
Mr. Deepak S. Parekh
Mr. Nadir B. Godrej
Dr. A. S. Ganguly
Mr. Vikram Singh Mehta
Mr. Anupam Puri

Loans & Investment Committee

Mr. Anand G. Mahindra
Chairman
Mr. Bharat Doshi
Mr. A. K. Nanda
Mr. R. K. Kulkarni
Mr. Vikram Singh Mehta

Research & Development Committee

Dr. A. S. Ganguly
Chairman
Mr. Anand G. Mahindra
Mr. Bharat Doshi
Mr. Nadir B. Godrej
Mr. M. M. Murugappan

BOARD OF DIRECTORS

Mr. Keshub Mahindra
Chairman Emeritus
(Ceased to be Chairman and Director at
the conclusion of the AGM held on
8th August 2012)

Mr. Anand G. Mahindra
Chairman & Managing Director

Mr. Bharat Doshi
Executive Director &
Group Chief Financial Officer

Mr. Deepak S. Parekh
Mr. Nadir B. Godrej
Mr. M. M. Murugappan

Mr. A. K. Nanda
Mr. Narayanan Vaghul
Dr. A. S. Ganguly
Mr. R. K. Kulkarni

Mr. Anupam Puri
Dr. Vishakha N. Desai
Mr. Vikram Singh Mehta
Mrs. D. Vijayalakshmi
Nominee of Life Insurance Corporation
of India
(Ceased to be a Director with effect
from 5th June 2013)

Mr. Narayan Shankar
Company Secretary

BANKERS

Bank of America N.A.
Bank of Baroda
Bank of India
Canara Bank
Central Bank of India
HDFC Bank Limited
Standard Chartered Bank
State Bank of India
Union Bank of India

AUDITORS

Deloitte Haskins & Sells
Tower 3, 27th – 32nd Floor,
Indiabulls Finance Centre,
Elphinstone Mill Compound,
Senapati Bapat Marg,
Elphinstone (W), Mumbai 400 013

ADVOCATES

Khaitan & Co.,
One Indiabulls Centre,
13th Floor, 841, Senapati Bapat Marg,
Elphinstone Road, Mumbai 400 013

REGISTERED OFFICE

Gateway Building, Apollo Bunder,
Mumbai 400 001

CONTENTS

Directors' Report	13
Management Discussion and Analysis.....	35
Corporate Governance	55
Business Responsibility Report	73
Accounts	87
Statement pursuant to Section 212	139
Consolidated Accounts.....	145



**DIRECTORS'
REPORT**





DIRECTORS' REPORT

MAHINDRA & MAHINDRA LIMITED

Dear Shareholders

Your Directors present their Report together with the audited accounts of your Company for the year ended 31st March 2013.

Financial Highlights

(Rs. in crores)

	2013	2012
Gross Income	43,962	34,820
Less: Excise Duty on Sales	2,972	2,501
Net Income	40,990	32,319
Profit before Depreciation, Finance Costs, Exceptional item and Taxation	5,258	4,237
Less: Depreciation/Amortisation	711	576
Profit before Finance Costs, Exceptional item and Taxation	4,547	3,661
Less: Finance Costs	191	163
Profit before Exceptional item and Taxation	4,356	3,498
Add: Exceptional item	91	108
Profit before Taxation	4,447	3,606
Less: Provision for Tax – Current Tax (including MAT credit entitlement)	933	538
Less: Provision for Tax – Deferred Tax (Net)	161	189
Profit for the year	3,353	2,879
Balance of profit for earlier years	7,905	6,209
Less: Transfer to Debenture Redemption Reserve	15	14
Profits available for appropriation	11,243	9,074
Less: General Reserve	400	300
Proposed Dividends	798	768
Income-tax on Proposed Dividend	93	101
Balance carried forward	9,952	7,905

The Indian economy performed poorly in the Financial Year 2012-13. Faced with economic turbulence abroad and an unsupportive policy environment at home, industrial activity slowed steadily through the year, critical infrastructural projects stalled and private corporate investments lost much of their dynamism. A weak south-west monsoon added further stress. Food prices shot up, keeping inflation and interest rates high through most of the year, while rural incomes lost momentum. Consumer demand, as a result, slowed sharply, impacting business performance and profitability across the board. The country's current account deficit widened significantly, putting severe pressure on the rupee. At the same time, with domestic economic activity slowing, Government revenues lost buoyancy, worsening the already weak state of Government finances.

With the economy under severe pressure and rating agencies threatening a downgrade, the Government finally swung into action in the second half of the year, announcing a series of critical reforms. These measures have, undoubtedly, improved the extant economic environment in the country but deeper structural and administrative reforms are needed for the economy to regain momentum and fully realise its long term potential.

Financial Performance

Against the backdrop of this challenging situation, the Automotive and Farm Divisions of your Company have shown good performance during the year, reflecting substantial growth in the net income of the Company by 26.8% from Rs. 32,319 crores in the previous year to Rs. 40,990 crores in the year under review.

Consequent to this commendable performance, the profit for the year before Depreciation, Finance Costs, Exceptional items and Taxation recorded an increase of 24.1% at Rs. 5,258 crores as against Rs. 4,237 crores in the previous

year. Similarly, profit after tax clocked an increase of 16.5% at Rs. 3,353 crores as against Rs. 2,879 crores in the previous year. Your Company continues with its rigorous cost restructuring exercises and efficiency improvements which have resulted in significant savings through continued focus on cost controls, process efficiencies and product innovations thereby enabling the Company to maintain profitable growth in the current economic scenario.

Dividend

Your Directors are pleased to recommend a dividend of Rs. 12.50 per Ordinary (Equity) Share and also a Special Dividend of Re. 0.50 per Ordinary (Equity) Share aggregating Rs. 13.00 per Ordinary (Equity) Share of the face value of Rs. 5 each, payable to those Shareholders whose names appear in the Register of Members as on the Book Closure Date. The Special Dividend is recommended in view of the profit made by the Company on sale of part of its shareholding in Mahindra Holidays & Resorts India Limited, a subsidiary of the Company. The equity dividend outgo for the Financial Year 2012-13, inclusive of tax on distributed profits (after reducing the tax on distributed profits of Rs. 42.67 crores on the dividends receivable from the subsidiaries during the current Financial Year) would absorb a sum of Rs. 891.15 crores (as against Rs. 868.61 crores comprising the dividend of Rs. 12.50 per Ordinary (Equity) Share of the face value of Rs. 5 each and tax thereon paid for the previous year).

Performance Review

Automotive Division:

Your Company's Automotive Division recorded total sales of 4,83,734 vehicles and 67,735 three-wheelers as compared to 3,98,357 vehicles and 70,988 three-wheelers in the previous year registering a growth of 21.4% in vehicle sales and a de-growth of 4.6% in three-wheeler sales.

On the domestic sales front, your Company sold 3,10,706 Passenger Vehicles [including 2,63,925 Utility Vehicles (UVs), 31,437 Multi Purpose Vehicles (MPVs) and 15,344 Cars] registering a growth of 26.5% over the previous year's volumes of 2,45,700 Passenger Vehicles (including 2,02,217 UVs, 25,644 MPVs and 17,839 Cars). In the commercial vehicle segment, your Company sold 1,42,797 vehicles (including 39,911 vehicles < 2T GVW and 1,02,886 vehicles between 2-3.5T GVW) registering a growth of 12.4% over the previous year's volume of 1,27,029 commercial vehicles (including 53,895 vehicles < 2T GVW and

73,134 vehicles between 2-3.5T GVW). In the three-wheeler segment, your Company sold 65,510 three-wheelers registering de-growth of 2.9% over the previous year's volume of 67,440 three-wheelers.

Your Company's UV sales volume grew by 30.5% and your Company continued to maintain its leadership position in the domestic UV market by posting a market share of 47.7%. During the year, the Bolero posted record sales of more than 1,00,000 units for the second consecutive year and the Scorpio also posted sales of over 50,000 units for the second successive year.

After a very successful launch of the XUV500 last year, the Cheetah inspired XUV500 continues to win customer preference. The Company had more than 35,000 Cheetahs on the road within just one year of launch.

Strengthening the UV portfolio, the Company launched two new products – Quanto and Rexton, marking entry into two new product segments. Both the products have been very well received by the market. Rexton is already the second largest selling product in its category.

With the aim of strengthening its product portfolio and entering new segments, your Company has successfully launched many new products over the past three years. As a result, the Company's share of the Indian Automotive market stood at 13.2% in 2012-13 as compared to 11.5% in the previous year.

In the overseas market, your Company registered a volume growth of 11.2% over the previous year. This growth was driven by volume growth in SAARC, Chile and South Africa. During the year under review, your Company sold 30,231 vehicles [including 209 vehicles sourced from Mahindra Navistar Automotives Limited {renamed as Mahindra Trucks and Buses Limited ("MTBL") with effect from 4th June 2013}] and 2,225 three-wheelers in the overseas market as compared to 25,628 vehicles (including 157 vehicles sourced from MTBL) and 3,548 three-wheelers in the previous year.

Spare parts sales for the year stood at Rs. 1,190.30 crores (including exports of Rs. 90.30 crores) as compared to Rs. 873.99 crores (including exports of Rs. 55.47 crores) in the previous year, registering a growth of 36.2%.

Farm Division:

Your Company's Farm Division (including Swaraj Division) recorded sales of 2,24,844 tractors as against 2,36,666 tractors sold in the previous year, recording a decline of 5%.

In the Financial Year 2013, there was a 1.7% decline in the domestic tractor industry, after three years of double digit growth. The domestic industry recorded sales of 5,25,970 tractors as compared to 5,35,210 tractors in the previous year.

The industry decline was greater in the Southern States, where your Company commands a comparatively greater market share. Against this background, your Company achieved domestic sales of 2,12,555 tractors as compared to 2,22,944 tractors in the previous year, a decline of 4.7%. Your Company continues to enjoy a market share of 40.2% making it the market leader for the 30th consecutive year.

Your Company achieved tractor exports of 12,289 tractors as compared to 13,722 tractors exported in the previous year, which is 10.4% lower compared with the previous year. The decline was primarily on account of industry decline in markets of Sri Lanka and Bangladesh, with growing exports to Mahindra USA, Inc. and Africa bridging some of the shortfall.

Beyond agriculture, in the power generation space under the Mahindra Powerol Brand, your Company achieved gross revenue of over Rs. 1,000 crores. The last time that Mahindra Powerol crossed this threshold was in 2010, mainly on account of the growth in the telecom segment. This achievement in Financial Year 2013 was despite telecom segment DG sales accounting for only 19% of revenues currently, as compared with 58% in Financial Year 2010. While retaining its leadership position in the genset market catering to the telecom space, your Company has become the No. 2 player in retail for lower kVA.

Mahindra Defence Systems (MDS) Division:

Your Company, through Mahindra Defence Systems Division ("MDS"), is engaged in two businesses – a) Mahindra Defence Naval Systems ("MDNS") and b) Mahindra Special Services Group ("MSSG").

Mahindra Defence Naval Systems:

The MDNS provides weapons, sub-systems and components to the Navy, Ordnance Factories and the Defence Research & Development Organisation and Defence Public Sector Undertakings viz. Bharat Electronics Limited/Bharat Dynamics Limited. Among the major products being supplied are (i) the Triple Tube Torpedo Launcher which is fitted on board Indian Naval ships to counter attacking submarines by firing a torpedo at them, (ii) Anti Torpedo Decoy Launcher which launches a decoy to deceive an attacking torpedo and (iii) other components for the Ordnance Factories which go into Naval and Army weapon systems.

Pursuant to an approval accorded by the Shareholders by way of Postal Ballot on 4th April 2009, this business has been hived off into a wholly owned subsidiary viz. Mahindra Defence Naval Systems Private Limited with effect from 1st June 2012.

Mahindra Special Services Group:

The Special Services Group business of your Company provides Corporate Security Risk Management Consultancy services, assisting organisations to maintain their competitive edge by protecting information, physical and personnel assets. During the year, the Special Services Group has posted growth in the areas of Governance & Fraud Risk Management vertical and also launched its training services vertical by setting up the Information Assurance and Homeland Security Academy which aims at providing functional training in these areas.

Management Discussion and Analysis Report

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

Corporate Governance

Your Company has a rich legacy of ethical governance practices many of which were implemented by the Company, even before they were mandated by law. Your Company is committed to transparency in all its dealings and places high emphasis on business ethics.

A Report on Corporate Governance alongwith a Certificate from the Statutory Auditors of the Company regarding compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement form part of this Annual Report.

Finance

The headwinds of the previous year continued to slow global growth during the Financial Year 2012-13. The recovery was tentative in US and Europe continued to be under the overhang of recession, with a new banking crisis in Cyprus adding to the Eurozone troubles. The emerging markets also slowed down, causing concerns about a protracted low growth environment.

On the domestic front, tight liquidity conditions prevailed throughout the year. Despite RBI cutting the Repo rate by 100 bps in several instalments, short term interest rates remained at elevated levels in view of shortfall in liquidity.

Weak exports and Current Account Deficit worsened the situation, impacting the exchange rate scenario. As a result, the Indian Rupee continued to remain volatile during the period. In these difficult financial conditions, your Company, with its good credit standing and strong underlying Corporate Governance principles, enjoyed privileged access to liquidity and competitive pricing.

Your Company continued to focus on managing cash efficiently and ensured that it had adequate liquidity in its books at all times, along with strong back up lines of credit. During the course of the year, your Company repaid long term loan instalments amounting to Rs. 380.73 crores on due dates from internal accruals. The Consortium of Bankers continues to rate your Company as a prime customer and extends facilities/services at prime rates.

Your Company follows a prudent financial policy and aims to maintain optimum financial gearing at all times. The Company's total Debt to Equity Ratio was 0.24 as at 31st March 2013.

In an environment of financial stress and rating downgrades, your Company continues to enjoy prime credit rating with CRISIL Limited ("CRISIL"), ICRA Limited ("ICRA") and Credit Analysis & Research Limited ("CARE"). These organisations have all re-affirmed the highest safety rating of A1+ for your Company's Short Term facilities and high safety rating for its Long Term Banking facilities. CRISIL maintains a rating of "CRISIL AA+/Stable", ICRA maintains a rating of "[ICRA] AA+(stable)" and CARE maintains a rating of "CARE AA+".

Investor Relations

In line with the best practices aimed at fostering improved investor relations, your Company engaged with investors in many ways, including one on one meetings, attendance at investor conferences, regular quarterly earnings calls and annual analyst meet during the year. New technology, including telepresence and webcasting enabled your Company to reach out to a large number of investors. Your Company interacted with over 550 Indian and overseas investors and analysts from a wide cross section of the investment universe during the year. Several investor/analyst interactions with the Chairman & Managing Director and Business Heads were organised during the year. Your Company won top awards/ranking in various investor relations categories from Thomson Reuters Extel Survey for 2011 (awarded in June 2012) and from

Institutional Investor, Asia, for the year 2012. A user friendly investor relations page on the Company's Corporate Website ensures the benefit of easy access to relevant information for investors.

Acquisitions and other matters

(1) Buyout of Navistar Inc.'s stake in Truck and Engine Joint Venture

In November 2005, your Company along with Navistar Inc. and its affiliates had entered into a Joint Venture Agreement and set up Mahindra Navistar Automotives Limited [renamed Mahindra Trucks and Buses Limited ("MTBL") with effect from 4th June 2013] in which your Company held 51% of the Equity Share Capital. Navistar Inc. along with its affiliates held 49% of the Equity Share Capital. Additionally, in November 2007, your Company along with Navistar Inc. and its affiliates had entered into a Joint Venture Agreement and set up Mahindra Navistar Engines Private Limited [renamed Mahindra Heavy Engines Private Limited ("MHEPL") with effect from 4th June 2013]. Here too your Company held 51% of the Equity Share Capital and Navistar Inc. along with its affiliates held 49% of the Equity Share Capital.

As a part of its own strategy, Navistar Inc. decided to exit both its Joint Ventures in India. Given the strategic importance of these Joint Ventures, your Company decided to buy out the respective stakes of Navistar Inc. and its affiliates in both MTBL and MHEPL for a total consideration of approximately Rs. 173 crores, thereby making MTBL and MHEPL wholly owned subsidiaries of your Company. These transactions were completed in February 2013.

(2) Rights Issue of EPC Industrie' Limited

During the year, EPC Industrie' Limited ("EPC"), a subsidiary of your Company engaged in the business of manufacturing and marketing micro irrigation systems, successfully completed its Rights Issue. The proceeds of the issue will be utilised towards funding the procurement of plant and machinery, working capital requirements and for general corporate purposes.

(3) Buyout of BAE Systems Plc. stake in Land Systems Joint Venture

Your Company had entered into a Joint Venture with BAE Systems Plc. in Defence Land Systems India Private

Limited ("DLSI") wherein the Company held 74% in the Equity Share Capital of DLSI and the balance 26% was held by BAE Systems Plc.

The scope of the Joint Venture included development of land systems technical capabilities and products for the Indian armed forces, para-military forces and homeland security. On account of developments in both the industry environment and customer procurement frameworks, Mahindra Defence Systems Limited, a wholly owned subsidiary of the Company, decided to purchase the entire shareholding of BAE Systems Plc. in DLSI, thereby making DLSI a wholly owned subsidiary of your Company.

(4) Joint Venture with Telephonics Corporation

Your Company, in venturing into the Defence Sector, had also been exploring opportunities for partnerships with companies with globally proven high end defence technologies. In pursuance of the same in August 2012 your Company entered into a Joint Venture Agreement with Telephonics Corporation, which will provide the Indian Ministry of Defence and the Indian Civil Sector with radar and surveillance systems, Identification Friend or Foe devices and communication systems. In addition, this Joint Venture intends to provide systems for Air Traffic Management services, Homeland Security and other emerging surveillance requirements. Telephonics Corporation, is a leading US based designer, developer and manufacturer of high-technology integrated information, communication and sensor system solutions to military and commercial markets worldwide and a subsidiary of Griffon Corporation. The Joint Venture company has been incorporated in this respect, named as 'Mahindra Telephonics Integrated Systems Limited', in which your Company holds 74% stake through its wholly owned subsidiary company Mahindra Defence Systems Limited and the balance 26% is held by Telephonics Corporation.

(5) 'Offer for Sale' of shares held in Mahindra Holidays & Resorts India Limited

The Department of Economic Affairs of the Ministry of Finance by its notifications dated 4th June 2010 and 9th August 2010, increased the minimum public holding requirement for listed companies from 10% to 25% of their total paid-up capital. All public listed companies in India (excluding public sector companies) were required

to reduce their promoter holding to a minimum level of 75% by June 2013.

Your Company held 82.69% in Mahindra Holidays & Resorts India Limited ("MHRIL"). In compliance with the above notification, your Company, as promoter and holding Company of MHRIL, sold an aggregate of 34,00,000 Equity Shares of Rs. 10 each representing 4.02% of the then Equity Share Capital of MHRIL during the year under review. This was done through an 'Offer for Sale of Shares by Promoters through the Stock Exchange Mechanism' on the separate window provided by the Stock Exchanges for this purpose, in accordance with the Securities and Exchange Board of India Circulars.

After the end of the Financial Year, MHRIL allotted 41,41,084 Equity Shares of Rs. 10 each on 12th April 2013 to successful applicants under the Institutional Placement Programme in terms of Chapter VIII-A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.

The shareholding of your Company in MHRIL therefore stands reduced to 75%.

(6) Further Equity Investment in Ssangyong Motor Company

Subsequent to the year end, Ssangyong Motor Company, a subsidiary of the Company ("SYMC") made a third party allotment by way of a Preferential Issue of 1,45,45,455 Equity Shares to your Company at an issue price of 5,500 Korean Won per share for an amount aggregating around 80 billion Korean Won, resulting into an increase in the shareholding of your Company in SYMC from 69.63% to 72.85%. The said issue will facilitate improvement of the financial structure of SYMC and proceeds of the issue will be utilised by SYMC for new product development and strengthening its competitiveness.

Stock Options

During the year under review, on the recommendation of the Governance, Remuneration and Nomination Committee of your Company, the Trustees of the Mahindra & Mahindra Employees' Stock Option Trust have granted 5,65,094 Stock Options to Eligible Employees under the Mahindra &

Mahindra Limited Employees Stock Option Scheme – 2010. Further, 20,000 Stock Options have also been granted under the Mahindra & Mahindra Limited Employees Stock Option Scheme – 2000.

Details required to be provided under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure I to this Report.

Industrial Relations

A cordial Industrial Relations environment prevailed at all the manufacturing units across the Company during the year under review except for a wrinkle, when workmen at the Igatpuri plant went on a 'tool down' for 13 days starting from 9th April 2013 to 21st April 2013. This however did not affect the production schedule of the plant.

Employees are the Company's vital and most valuable assets. Your Company has focussed on propagating proactive and employee centric shop floor practices, quick grievance resolution mechanisms and alignment to overall business goals, thus ensuring that there was no loss of production in the Financial Year 2013. As a result of propagating employee engagement as a business imperative, Financial Year 2013 recorded the highest production figures in the history of the Company.

Over the last few years, your Company has placed significant emphasis on enhancing capabilities at the shop floor, beyond merely technical skills. Operators are trained and encouraged to generate ideas for resolving quality concerns, reducing cost, improving safety and efficiency. For the year under review, the workmen generated over 19 ideas per person towards this cause.

Safety, Occupational Health and Environment

Your Company has a well-established Safety, Occupational Health & Environmental Policy ("SH&E Policy") in line with the National Safety, Occupational Health & Environmental Policy.

The safety and occupational health of employees is a major area of focus for the Company. The SH&E Policy, inter alia, covers the safety of all stakeholders, ensures compliance on a monthly basis and imparts necessary education and training to all employees and stakeholders. External surveillance audits of the facilities as per legal and other requirements are conducted regularly. Internal and external medical check-ups of employees and contractors are conducted.

Road Safety Week, National Safety Week, Fire Service Day and World Environment Day are celebrated. Behavioural Based Safety ("BBS") observations, small group working, Safety Inspection alongwith Safety awareness training with benchmarks on overall safety performance are conducted. Your Company's plants organise Occupational Health Examination Camps, medical check-ups, consultation and counselling, etc. for the employees' well being.

Your Company tracks the objectives and targets laid out in the road map of the triple bottom line approach. Various green projects have been implemented by your Company in the areas of abatement of air pollution, recycling and reduction of water and Solid Waste Management in accordance with world class Green supply chain standards. Your Company's commitment to the environment stems from the Mahindra Group's abiding concern for all stakeholders of society.

All plants of the Automotive Division have been certified for ISO 14001: 2004 & OHSAS 18001: 2007 ("amended standards"). An External Audit for Safety, Occupational Health and Environment is conducted every year and all the Company's plants of the Automotive Division have been certified during the year 2012-13.

Corporate Social Responsibility

Mahindra's Corporate Social Responsibility ("CSR") is committed to 'building possibilities' for socially and economically disadvantaged communities to enable them to 'RISE' above their limiting circumstances.

Some of the major initiatives the Company has undertaken in India during the Financial Year 2013 are described below:

A. Project Nanhi Kali

Nanhi Kali, which supports the education of the disadvantaged girl child, has been the flagship programme of the K. C. Mahindra Education Trust ("KCMET") since 1996. The Nanhi Kali sponsorship provides underprivileged girls with academic support classes where concepts of Maths, Science and Language are taught to the girls. In addition, the girls are provided with material support including uniforms, school bags, shoes, socks and stationery which allow them to attend school with dignity. In the Financial Year 2013, 7,414 individuals and corporates donated Rs. 22.65 crores to the Nanhi Kali Project, enabling the Project to support the education of 78,338 underprivileged

girls across 9 states of India. The largest donor is the Mahindra Group, which supports the education of 29,702 Nani Kalis. This initiative has had a significant impact in terms of increase in learning outcomes by 10% and curtailing drop out of girls from school to less than 10%.

B. Mahindra Pride Schools

The Mahindra Pride Schools through their one-of-a-kind livelihood training programmes continue to take forward their vision to completely transform youth from socially disadvantaged communities by training and placing them in high growth service sector careers. The last Financial Year witnessed the setting up of the 5th Mahindra Pride School in Srinagar in October 2012, where the 1st batch of students braved extreme weather and socio-political unrest to complete their training and are now ready to be placed. In the Financial Year 2013, a total of 2,605 Scheduled Caste/Scheduled Tribe students received intensive training at the 5 Mahindra Pride Schools in Pune, Chennai, Patna, Chandigarh and Srinagar. Areas of training included Hospitality Craft, Information Technology Enabled Services (ITES – for BPOs and KPOs) and Customer Relationship Management. The total number of Mahindra Pride School students trained till date is 5,666. Post training, the Mahindra Pride School students have been recruited by food chains such as McDonald's, Pizza Hut, KFC and Café Coffee Day, 5 star Hotels such as Hotel Le Meridien, Department Stores such as Westside, Mom & Me and BPOs & KPOs such as Bajaj Allianz, Syntel, HCL, TCS, Dell, Cognizant, Tech Mahindra and Mphasis. There has been 100% placement of students in lucrative jobs and a consistent increase in average salary per batch. The average salary is currently over Rs. 10,000 per month.

C. Scholarships and Grants

1. Mahindra All India Talent Scholarships

Instituted in 1995, Mahindra All India Talent Scholarships ("MAITS") are awarded to students from lower socio economic strata to enable them to pursue a job oriented diploma course at a recognised Government Polytechnic Institute in India. Approximately 500 scholarships are given every year to students who undergo a three year course. In the Financial Year 2013, 550 students were awarded the MAITS leading to a disbursement of Rs. 91.43

lakhs. MAITS has been awarded to 6,354 students till date.

2. K. C. Mahindra Scholarships for Post-Graduate studies abroad

The K. C. Mahindra Scholarship for Post-Graduate studies abroad (instituted in the year 1956) is an interest free loan scholarship awarded to deserving graduates interested in pursuing their post-graduate studies overseas. In the Financial Year 2013, 44 students were awarded a scholarship of Rs. 2 lakhs each. Recipients will be doing their post-graduation in a wide range of subjects like Computer Science and Engineering, Mechanical Engineering, Electrical Engineering, Chemical Engineering, Economics and Law and had received admission in renowned universities like Harvard Business School, Yale, Stanford, Massachusetts Institute of Technology, Carnegie Mellon, London School of Economics, etc. Further, the K. C. Mahindra Fellows Fund awarded scholarships of Rs. 24 lakhs to the top 3 candidates (a maximum scholarship of Rs. 8 lakhs each). The total number of scholarships given till date is 1,070.

3. K. C. Mahindra United World Colleges ("UWC") Scholarships

Till date 86 students have benefited from the K. C. Mahindra UWC Scholarship enabling them to study at the United World Colleges, and in particular, the Mahindra United World College. KCMET has disbursed a total of Rs. 655.31 lakhs in the form of these scholarships. During the Financial Year 2013, 12 students were given scholarships amounting to a disbursement of Rs. 69.31 lakhs.

4. Mahindra Search for Talent Scholarship

This scholarship which rewards excellence in academics has been set up in 35 institutions in India. In addition, students who receive the Mahindra Search for Talent Scholarship for two consecutive years also receive the Honours Scholarship Award comprising a cash prize of Rs. 5,000 and a citation from the Trust.

Employee Social Options

Esops stands for Employee Social Options. Esops is a platform offering employees a set of social work volunteering options.

These options are created and implemented exclusively by employees themselves based on the needs of underprivileged communities in and around their areas of operation. In a way, it is each employee's CSR initiative.

Esops enables the workforce to collectively donate thousands of human hours for various social projects, in the three focussed areas of Education, Health and Environment, making social work an integral part of everyone's lives. In this manner Esops enables our employees to give not just their wealth but also their time. To fund these employee initiatives, each Sector of the Company donates 0.5% of its profit after tax to the Central CSR fund and 0.5% to Esops.

Some notable Esops initiatives during the year were the Lifeline Express at Puri in Odisha and at Naksalbari in West Bengal where a total of 4,219 patients were treated by performing surgeries, giving medicines and distribution of aids and appliances free of cost. Another notable initiative was Mahindra Hariyali where the 1 million tree plantation target was surpassed by planting more than 1.7 million trees. Esops Awards – 2012, Esops Star Performers Awards, Group level Esops Champions Meet were organised to motivate employees and ensure their maximum participation in Esops.

The other Esops activities included numerous initiatives in the fields of Education, Health, Environment, etc. which had a short term as well as a long term impact on the beneficiaries and society at large.

Esops is also a culture that the Mahindra Group has cultivated as an ethic. The Esops platform and a set of structures and protocols have been created, to make it easier and possible for every employee, who wishes to make a contribution to society, to do so.

'Sustainability' Initiatives

During the year under review, the 5th Sustainability Report for the year 2011-12 was released and it received a GRI rating of 'A+' (like the earlier four Reports). The external assurance of the Report was carried out by KPMG.

Your Company is now five years into its 'Sustainability' journey. Resource efficiency and social commitment continue to be important drivers of profitable growth. The focus on the Environmental, Social and Governance ("ESG") parameters continues, and year on year, initiatives taken in the previous years are consolidated and new ones are taken

up. Several projects for water management and conservation and continuous improvement in energy conservation were undertaken, resulting in reduced consumption of energy and water. The Carbon footprint of Scope I, II and III GHG emissions as per the GHG protocol developed by WBCSD and WRI, was further strengthened especially for tracking indirect emissions from inbound and outbound logistics. The targets taken under the Sustainability Road Map have been surpassed in four out of the seven parameters. Complete details of the Sustainability performance for 2012-13 will be elaborated in the GRI Report which is under preparation and will be ready for release shortly.

During 2012-13, your Company's consistent performance on the ESG dimensions has been recognised in the following ways.

The Company :

- Retained its position in the top 10 Indian Companies in the CRISIL/Standard & Poor ESG Index 2012.
- Ranked 8th out of 750 companies in South East Asia and 2nd out of 100 in India by The Asian Sustainability Rating™, a Singapore based financial research agency.
- Achieved "Sustainability Plus" GOLD Rating by CII – a first of its kind Sustainability Labeling – to reflect ESG performance of leading Indian Companies.
- Received the FE-EVI Green Business Leadership Award 2011-12 for the Automobile Sector category.
- Ranked 2nd in the India 200 Carbon Disclosure Leadership Index in 2012.
- Was invited to participate in the Dow Jones Sustainability Index 2012 for the second time.

Business Responsibility Report

In August 2012, Securities and Exchange Board of India ("SEBI") introduced Clause 55 of the Listing Agreement, which prescribes disclosures on certain non-financial parameters. The prescribed format is the 'Business Responsibility Report' ("BRR") which has to be a part of the Company's Annual Report. This requirement is mandatory for the top 100 listed companies (based on market capitalisation) on the National Stock Exchange of India Limited and BSE Limited. In compliance with this requirement, the BRR for your Company for the year 2012-13 forms part of this Annual Report.

It is clear that balancing economic growth, optimising the ecological footprint and ensuring inclusive human development will be very critical for continued growth and development. Your Company strongly believes that sustainable growth is possible only if there is ecological well-being, social equity and transparency in business. By living with its 'Alternative Thinking' mantra, your Company will continue to strive towards these goals.

Directors

As reported in the Annual Report for the Financial Year 2012, Mr. Keshub Mahindra relinquished his office as Chairman and Director of the Company at the conclusion of the 66th Annual General Meeting of the Shareholders held on 8th August 2012. As a tribute to his unparalleled contribution to the cause and growth of the organisation and his immense leadership qualities, Mr. Keshub Mahindra has been made the Company's Chairman Emeritus.

Consequent to the above mentioned Board level change, Mr. Anand G. Mahindra was elevated to the position of Chairman and designated as Chairman & Managing Director of the Company with effect from the conclusion of the 66th Annual General Meeting of the Shareholders held on 8th August 2012.

Pursuant to the recommendation of the Governance, Remuneration and Nomination Committee, the Board at its Meeting held on 25th October 2012 appointed Mrs. D. Vijayalakshmi, Executive Director Investment – Risk Management & Research of LIC, as an Additional Director of the Company representing Life Insurance Corporation of India ("LIC"), in place of Mr. Arun Kanti Dasgupta who ceased to be a Director of the Company with effect from 9th August 2011. She was to hold the office of Director up to the date of the ensuing Annual General Meeting of the Company.

However, the Company received an intimation from LIC on 10th June 2013, informing that Mrs. Vijayalakshmi has resigned from the Board of the Company with effect from 5th June 2013.

The Board places on record its sincere appreciation of the valuable services rendered by Mrs. Vijayalakshmi during her tenure as a Director of the Company.

Pursuant to the provisions of section 256 of the Companies Act, 1956, Dr. A. S. Ganguly, Director of the Company, retires by rotation at the forthcoming Annual General Meeting

scheduled to be held on 13th August 2013. Dr. Ganguly has expressed his desire not to seek re-appointment. It is proposed not to fill up the vacancy thereby caused.

The Board placed on record its deep appreciation of the invaluable counsel rendered by Dr. Ganguly to the Company and his contribution in guiding and supporting the management during his tenure as an Independent Director on the Board of Directors of the Company. His inputs were valuable across all functions of the Company, but in particular, his mentoring of the Board's Research & Development Committee was especially appreciated by the Company's Management.

Quote from Chairman Emeritus

"Dr. Ganguly joined the Board in August 1997. Ever since his induction on the Board, he has imparted considerable value to the deliberations at the Meetings of the Board and those of the Research & Development Committee, of which he was the Chairman and the Strategic Investment Committee, of which he was a Member.

In his long association with the Mahindras, I reminisce of him having given a strong momentum to the Company's R&D efforts, his persistence on having a clear R&D strategy and in guiding the management to have a brutal focus on new product design and development.

These notable contributions have enabled the Company to keep itself in pace with the ever changing tastes and preferences of customers, outperform its peers and maintain a leadership position in the otherwise fiercely competitive auto industry."

Mr. Anand G. Mahindra, Mr. Nadir B. Godrej and Mr. Anupam Puri retire by rotation and, being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956, your Directors, based on the representations received from the Operating Management, and after due enquiry, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent

judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March 2013 and of the profit of the Company for the year ended on that date;

- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis.

Subsidiary Companies

The subsidiary companies of your Company continue to contribute to the overall growth of the Company. Major subsidiaries such as Mahindra & Mahindra Financial Services Limited with a 44% growth in its consolidated profits and Mahindra Lifespace Developers Limited with a 19% growth in its consolidated profits deserve special mention. The consolidated Group Profit for the year after exceptional items, prior period adjustments and tax and after deducting minority interests is Rs. 4,099.20 crores as against Rs. 3,126.66 crores earned in the previous year.

During the year under review, Mahindra Defence Naval Systems Private Limited, Mahindra Defence Systems Limited, Divine Heritage Hotels Private Limited, Gables Promoters Private Limited, 2 x 2 Logistics Private Limited, Holiday on Hills Resorts Private Limited, Mahindra Tractor Assembly Inc., MH Boutique Hospitality Limited, Infinity Hospitality Group Company Limited, Jiangxi Mahindra Yueda Tractor Company Limited and Mahindra Housing Private Limited became subsidiaries of your Company.

During the year under review, Mahindra (China) Tractor Company Limited and Jensa Limited ceased to be subsidiaries of your Company.

Subsequent to the year end, Mahindra Telephonics Integrated Systems Limited, Mahindra Investments (India) Private Limited and Mahindra Investments (International) Private Limited were formed as subsidiaries of your Company.

The Statement pursuant to section 212 of the Companies Act, 1956 containing details of the Company's subsidiaries is attached.

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any Member of the Company who may be interested in obtaining the same. Further, the Annual Accounts of the subsidiaries would also be available for inspection by any Member at the Head Office of the Company and at the Office of the respective subsidiary companies, during working hours upto the date of the Annual General Meeting.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard AS 21 form part of this Annual Report.

The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies, associates and joint ventures.

Auditors

Messrs Deloitte Haskins & Sells, Chartered Accountants, retire as Auditors of the Company and have given their consent for re-appointment. The Members would be required to elect Auditors for the current year and fix their remuneration.

As required under the provisions of section 224(1B) of the Companies Act, 1956, the Company has obtained a written Certificate from the above Auditors proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the limits specified in the said section.

Cost Auditors

As per the Order of the Central Government and in pursuance of section 233B of the Companies Act, 1956, your Company carries out an audit of its cost records. The due date for filing of the Cost Audit Report with the Ministry of Corporate Affairs for the Financial Year ended 31st March 2012, was 180 days from the closure of the Company's Financial Year or 28th February 2013, whichever is later. The combined Cost Audit Report for the Farm Equipment Sector and Motor Vehicles for the Financial Year ended 31st March 2012 was filed on 31st January 2013 in the XBRL format. The Central Government

has approved the appointment of M/s. N. I. Mehta & Co., Cost Accountants as Cost Auditors for conducting Cost Audit for the Financial Year 2012-13.

Pursuant to section 233B(2) of the Companies Act, 1956, the Board of Directors on the recommendation of the Audit Committee appointed M/s. N. I. Mehta & Co., Cost Accountants, as the Cost Auditors of the Company for the Financial Year 2013-14. M/s. N. I. Mehta & Co. have confirmed that their appointment is within the limits of section 224 (1B) of the Companies Act, 1956 and have also certified that they are free from any disqualifications specified under section 233B(5) read with section 224 and sub section (3) and sub section (4) of section 226 of the Companies Act, 1956.

The Audit Committee has also received a Certificate from the Cost Auditors certifying their independence and arm's length relationship with the Company.

Public Deposits and Loans/Advances

Out of the total 7,241 deposits of Rs. 5,295.39 lakhs from the Public and Shareholders as at 31st March 2013, 173 deposits amounting to Rs. 70.15 lakhs had matured and had not been claimed as at the end of the Financial Year. Since then, 42 of these deposits of the value of Rs. 15.48 lakhs have been claimed.

The particulars of loans/advances and investment in its own shares by listed companies, their subsidiaries, associates, etc., required to be disclosed in the Annual Accounts of the Company pursuant to Clause 32 of the Listing Agreement are furnished separately.

Current Year

During the period 1st April 2013 to 9th June 2013, 69,301 vehicles were despatched as against 65,063 vehicles during the corresponding period in the previous year. During the same period, 51,373 tractors were despatched as against 42,450 tractors despatched during the corresponding period in the previous year.

Looking forward, your Company expects the Indian economy to stage a mild, consumption-led recovery in the current year. Subject to a normal monsoon, as forecast by the Indian Meteorological Department, agricultural growth is likely to see considerable improvement in 2013-14, leading to a steady moderation in inflation and a bounce back in rural incomes, and consumer demand. At the same time, supported by a weakened currency and steady growth recovery in the US, export volumes may also gain momentum through the year. Private investment demand, however, is likely to remain weak, with a significant pick up contingent on concerted policy action by the Government.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Particulars required to be disclosed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are set out in Annexure II to this Report.

Particulars of Employees

The Company had 229 employees who were in receipt of remuneration of not less than Rs. 60,00,000 during the year ended 31st March 2013 or not less than Rs. 5,00,000 per month during any part of the said year. However, as per the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Directors' Report and Accounts are being sent to all the Members of the Company excluding the Statement of particulars of employees. Any Member interested in obtaining a copy of the Statement may write to the Company Secretary, whereupon a copy would be sent.

For and on behalf of the Board

ANAND G. MAHINDRA
Chairman & Managing Director

Mumbai, 10th June 2013

ANNEXURE I TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2013

Information to be disclosed under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:

a	Options granted	Mahindra & Mahindra Limited Employees Stock Option Scheme - 2000 ("2000 Scheme") – 1,52,00,898 Mahindra & Mahindra Limited Employees Stock Option Scheme - 2010 ("2010 Scheme") – 44,37,186														
b	The pricing formula	2000 Scheme												2010 Scheme		
		1 st Tranche	2 nd Tranche	3 rd Tranche	4 th Tranche	5 th Tranche	6 th Tranche	7 th Tranche	8 th Tranche	9 th Tranche	10 th Tranche	11 th Tranche	1 st Tranche	2 nd Tranche	3 rd Tranche	
		Average price preceding the specified date – 27 th September 2001	Average price preceding the specified date – 30 th May 2003	Discount of 5.13% on the average price preceding the specified date – 31 st May 2004	Discount of 4.85% on the average price preceding the specified date – 30 th May 2005	Average price preceding the specified date – 14 th September 2005	Discount of 5.02% on the average price preceding the specified date – 29 th May 2006	Discount of 4.89% on the average price preceding the specified date – 13 th September 2006	Discount of 4.97% on the average price preceding the specified date – 30 th July 2007	Discount of 5.03% on the average price preceding the specified date – 4 th August 2008	Discount of 4.97% on the average price preceding the specified date – 30 th July 2009	Discount of 4.98% on the average price preceding the specified date – 7 th August 2012	Options issued at Par specified date – 29 th October 2010	Options issued at Par specified date – 9 th December 2011	Options issued at Par specified date – 25 th October 2012	
		Average price		– Average of the daily high and low of the prices for the Company's Equity Shares quoted on BSE Limited during 15 days preceding the specified date.												
		The specified date		– Date on which the Governance, Remuneration and Nomination Committee decided to recommend to the Mahindra & Mahindra Employees' Stock Option Trust ("Trust"), the grant of Options.												
c	Options vested	2000 Scheme – 1,39,78,526 2010 Scheme – 13,39,612														
d	Options exercised	2000 Scheme – 1,05,24,648 2010 Scheme – 9,12,617														
e	The total number of shares arising as a result of exercise of option	2000 Scheme – 45,88,703 Equity Shares of Rs. 10 each. These were transferred from the Trust to the Eligible Employees prior to sub-division of the Face Value of Equity Share from Rs. 10 to Rs. 5. 2000 Scheme – 59,35,945 Equity Shares of Rs. 5 each. These were transferred from the Trust to the Eligible Employees during the period 1 st April 2010 to 31 st March 2013. 2010 Scheme – 9,12,617 Equity Shares of Rs. 5 each. These were transferred from the Trust to the Eligible Employees during the period 1 st April 2011 to 31 st March 2013.														
f	Options lapsed	2000 Scheme – 15,47,259 2010 Scheme – 3,12,980														
g	Variation of terms of options	At the Sixty-first Annual General Meeting of the Company held on 30 th July 2007, 2000 Scheme was amended to provide for recovery from Eligible Employees, the fringe benefit tax in respect of Options which are granted to or vested or exercised by the Eligible Employees on or after 1 st April 2007.														
h	Money realised by exercise of options	2000 Scheme – Rs. 2,56,36,25,544 2010 Scheme – Rs. 45,63,085 This amount was received by the Trust.														
i	Total number of options in force	2000 Scheme – 31,28,991 2010 Scheme – 32,11,589														
j	Employee-wise details of options granted to:															
	(i) Senior managerial personnel	As per Statement attached														

	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	2000 Scheme				2010 Scheme	
		Names	Options granted during the year ended 31 st March 2004*	Names	Options granted during the year ended 31 st March 2005*	NIL	
		Mr. Raghunath Murti	15,000	Mr. Pranab Datta	15,240		
		Mr. Hemant Luthra	15,240	Mr. Rajeev Dubey	15,000**		
		Mr. Ramesh Iyer	25,920	Mr. Allen Sequeira	10,160		
		—	—	Mr. Prince M. Augustin	5,080		
		* The Options granted stand augmented by an equal number of Options and the Exercise Price stands reduced to half on account of the 1:1 Bonus Issue made in September 2005.					
		** The Options granted and outstanding as of 30 th March 2010, stand augmented by an equal number of Options and the Exercise Price stands reduced to half on account of the sub-division of the Face Value of Equity Share from Rs. 10 to Rs. 5.					
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil					
k	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'	Rs. 54.61					
l	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted on or after 30 th June 2003, under 2000 Scheme and 2010 Scheme, the employee compensation cost would have been lower by Rs. 5.70 crores, profit after tax higher by Rs. 5.70 crores and the basic and diluted earnings per share would have been higher by Re. 0.10 and Re. 0.09 respectively.					
m	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	2000 Scheme			2010 Scheme		
Options Grant Date		Exercise price (Rs.)	Fair value (Rs.)	Options Grant Date	Exercise price (Rs.)	Fair value (Rs.)	
25 th September 2012		662	419.07	30 th November 2012	5.00	889.03	

n	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:	2000 Scheme	2010 Scheme
		The fair-value of the stock options granted under 2000 Scheme have been calculated using Black-Scholes Options pricing Formula and the significant assumptions made in this regard are as follows:	The fair-value of the stock options granted under 2010 Scheme have been calculated using Black-Scholes Options pricing Formula and the significant assumptions made in this regard are as follows:
(i)	risk-free interest rate,	8.12%	8.11%
(ii)	expected life,	5 years	3.25 years
(iii)	expected volatility,	42.73%	35.94%
(iv)	expected dividends, and	1.82%	1.82%
(v)	the price of the underlying share in market at the time of option grant.	Rs. 846.05	Rs. 947.00

STATEMENT ATTACHED TO ANNEXURE I TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2013

Name of Senior Managerial Persons to whom Stock Options have been granted	2000 Scheme						2010 Scheme
	Options granted in December 2001*	Options granted in June 2005** (\$)	Options granted in September 2006 (\$\$)	Options granted in July 2007 (\$\$\$)	Options granted in August 2008 (\$\$\$\$)	Options granted in August 2012 (\$\$\$\$\$)	Options granted in January 2011 (\$\$\$\$\$)
Mr. Bharat Doshi	1,00,000	*10,000***	*11,345***	*8,362***	*29,039***	Nil	71,080
Mr. Deepak S. Parekh	20,000	*5,000	Nil	Nil	Nil	Nil	Nil
Mr. Nadir B. Godrej	20,000	*5,000	Nil	Nil	Nil	Nil	Nil
Mr. M. M. Murugappan	20,000	*5,000	Nil	Nil	Nil	Nil	Nil
Mr. A. K. Nanda	1,00,000	*10,000	*11,345***	*8,362***	*24,890***	Nil	Nil
Mr. Narayanan Vaghul	20,000	*5,000	Nil	Nil	Nil	Nil	Nil
Dr. A. S. Ganguly	20,000	*5,000	Nil	Nil	Nil	Nil	Nil
Mr. R. K. Kulkarni	20,000	*5,000	Nil	Nil	Nil	Nil	Nil
Mr. Anupam Puri	20,000	@5,000***	Nil	Nil	Nil	Nil	Nil
Dr. Vishakha N. Desai	Nil	Nil	Nil	Nil	Nil	10,000	Nil
Mr. Vikram Singh Mehta	Nil	Nil	Nil	Nil	Nil	10,000	Nil

@ unexercised options lapsed

Options granted on	Vesting period	Exercise period	Exercise price
(\$) June 2005	Already vested in June 2006	Within five years from the date of vesting	**Rs. 454 per share***
(\$\$) September 2006	Four equal instalments in September 2007, 2008, 2009 and 2010 respectively	On the date of vesting or within five years from the date of vesting	Rs. 616 per share***
(\$\$\$) July 2007	Four equal instalments in July 2008, 2009, 2010 and 2011 respectively	On the date of vesting or within five years from the date of vesting	Rs. 762 per share***
(\$\$\$\$) August 2008	Four equal instalments in August 2009, 2010, 2011 and 2012 respectively	On the date of vesting or within five years from the date of vesting	Rs. 500 per share***
(\$\$\$\$\$) August 2012	Four equal instalments in August 2013, 2014, 2015 and 2016 respectively	On the date of vesting or within five years from the date of vesting	Rs. 662 per share***
(\$\$\$\$\$\$) January 2011	Five equal instalments in January 2012, 2013, 2014, 2015 and 2016 respectively	On the date of vesting or within six months from the date of vesting	Rs. 5 per share

* All the above Options have been exercised.

** The Options granted stands augmented by an equal number of Options and the Exercise Price stands reduced to half on account of the 1:1 Bonus Issue made in September 2005.

*** Further, the number of Stock Options granted and outstanding as on 30th March 2010, stands augmented by an equal number of Options and Exercise Price stands reduced to half on account of Sub-division of each Ordinary (Equity) Share of the Company having a Face Value of Rs. 10 each fully paid-up into 2 (Two) Ordinary (Equity) Shares of the Face Value of Rs. 5 each fully paid-up.

ANNEXURE II TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2013

PARTICULARS AS PER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2013

(A) Conservation of Energy

Your Company has always been aware of the need for conservation of energy and natural resources and has been consciously making efforts year on year towards improving the energy performance. Energy efficiency improvement initiatives have been implemented across all the plants and offices by undertaking various energy conservation projects.

Your Company ensures strict compliance with all the statutory requirements and has taken several sustainable steps voluntarily to contribute towards better environment like:

- ▶ Reduction in Sp. carbon footprint in spite of production increasing continuously.
- ▶ Effective effluent and sewerage treatment, recycle and reuse of water.
- ▶ Reduce, reuse, recycle of waste and eco-friendly waste disposal.
- ▶ Reduction in water footprint and encouraging rain water harvesting.
- ▶ Saving of natural resources like Electricity, Oil, Fuel, etc.
- ▶ Use of Renewable Energy in Manufacturing.
- ▶ Use of natural lighting and natural ventilation.

(a) During the year, the Company has taken the following initiatives for conservation of energy:

(i) Engineering Initiatives

- ▶ Installation of heat recovery systems on Paint shop oven exhaust for hot water generation and air preheating.
- ▶ Installation of Closed Loop efficient Cooling tower in Body Shops for gun cooling.
- ▶ Installation of VFD's at select locations.
- ▶ Installation of Energy Saving Magnetic Induction Lamps for Shop and Street Lighting.
- ▶ Energy Savers for Air-Conditioners in various offices.

- ▶ Replacement of inefficient compressor with energy efficient compressors.
- ▶ Installation of fan less cooling tower.
- ▶ Replacement of electrical heaters with gas burners in heat treatment furnaces.
- ▶ Flat belt instead of V belt for blowers.
- ▶ Installation of energy efficient pumping system.
- ▶ Light Pipe installation in offices.

(ii) Process Improvement

- ▶ Optimisation in VFD Frequency.
- ▶ Energy efficient Burners for plant canteen.
- ▶ No air loss drain valves for moisture removal from compressed air.
- ▶ Timers for blowers, fans and lights.
- ▶ Lighting sensor auto-switches for lighting.
- ▶ Downsizing Motors HP by Optimising Operation periods.
- ▶ Conversion of hot coolant to cold coolant for cleaning parts.
- ▶ Processing of more BMT/Cabs per skid.
- ▶ Conversion of Paint shop AED to CED process at Zaheerabad.
- ▶ Energy reduction of slab cores using cold box instead of hot box at moulding in Foundry.

Improvements through small group activities

- ▶ Adjustment of chiller temperature.
- ▶ Replacing tube light Electromagnetic ballasts with Electronic ballasts.
- ▶ Installation of Motion Sensors in various areas.
- ▶ Energy saving by switching off high bay lamps.

(iii) Initiatives Generating Awareness on Energy Consumption

- ▶ Energy Conservation Week celebration at all plants.
- ▶ Energy Conservation Oath at all locations.
- ▶ E-mailer's and Wallpapers for awareness.
- ▶ Display of posters and slogans on energy conservation.

- ▶ Conducted slogan, poster and suggestion competition for employees on energy efficiency.
- ▶ Release of Energy Management Guidelines.
- ▶ Organised Green Product Exhibition, 23 reputed Exhibitors displayed Green Products. More than 1,000 visitors have visited the exhibition.
- ▶ Energy Quiz and Suggestion Competition.
- ▶ Publication and release of E-Booklet containing ECON initiatives.
- ▶ Promoting energy conservation by showing ECON movies during lunch and dinner time in canteen.
- ▶ ECON stall on Founders Day Celebration.
- ▶ Extensive involvement of shop floor operating teams in improvement activities and projects.
- ▶ Spreading the importance of energy conservation in nearby schools and colleges.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

- ▶ Solar Heater for utensils cleaning.
- ▶ Provision of solar street lights inside the plant.
- ▶ Demand controller for Paint shop air line.
- ▶ Solar water heating system for LPG vaporizers.
- ▶ Installation of VFD drive for pumps in hot water generator section.

(c) Impact of the measures at (a) & (b) above for reduction in energy consumption and consequent impact on the cost of production of goods

The measures taken have resulted in lower energy consumption.

In the Automotive Sector, Specific Electrical energy consumption is reduced by 11.6% over the previous year and Specific Thermal energy consumption is reduced by 7.9% over the previous year.

However, in the Farm Equipment Sector, on account of drop in production, there was a marginal increase in Specific energy consumption.

(d) Total energy consumption and energy consumptions per unit of production as per Form A of the Annexure to the Rules in respect of industries specified in the Schedule

Not Applicable.

(B) Technology Absorption

Research & Development

1. Areas in which Research & Development is carried out:

During the year under review, the focus of Automotive Division continued on technology upgradation and capability development in the core areas of Power train, safety, weight reduction, alternate material and developing capabilities in automotive infotronics.

The Farm Division focussed on upgrading the product range, improving fuel efficiency while meeting the emission norms in India and US. Efforts were also focussed on development of a range of mechanisation solutions for focussed crops.

Your Company is also working to derive synergy benefits with Ssangyong Motor Company. The Company is developing 2 common platforms and various new engines to be used on those platforms. The Company also has actioned the benefits of common sourcing.

2. Benefits derived as a result of the above efforts:

Some significant achievements in the Automotive Division include launch of Quanto, domestic launch of Rexton, e₂o, Verito Refresh and Maxximo Plus.

The Company has launched its products in Europe, Chile and Brazil.

Quanto is a spacious 5+2 seater, first in sub-4m segment, twin stage turbo 1.5l, 3 cylinder engine, with class leading horse power of 100 ps. It is the most compact SUV in India with easy maneuverability. It is also having micro hybrid technology. It is lighter and fuel efficient SUV which comes with an all new 5MT320 transmission.

For safety, Quanto has an engine immobiliser, specially designed crumple zones, to absorb the impact in case of a collision, Antilock Braking System ("ABS") with Electronic Brake Distribution ("EBD"). The C8 version comes with dual SRS Airbags, intellipark reverse assist, for assisting in safe parking.

Maxximo Plus is powered by advanced re-engineered 2cyl DHOC 4 valve engine. Maxximo Plus is the

country's most technologically advanced 0.85 ton capacity mini-truck. Equipped with the pioneering yet simple-to-use 'Fuel Smart Technology', the new Maxximo Plus allows the customer to choose between higher power (26 hp; 19.2 kw) and higher mileage (21.9 kmpl), as and when the customer deems fit, at the press of a switch. This vehicle has a much stronger rear suspension as well.

The e₂o car is powered by next generation lithium-ion batteries, and a three phase induction electric motor, a maximum power output of 19 kw and 53 Nm of maximum torque driving the rear wheels. The principal advantage which this motor offers is refinement. The motor is mated to an automatic transmission. There are three basic driving modes offered, a forward and reverse and a boost mode. It has driving range of 100 km per charge. This Car has GPS navigation system, keyless entry and regenerative braking features, which puts energy back into the car's batteries and charges them every time it is slowed down or brakes are applied.

On Rexton, it has offered a 2.7 litre; 5 cylinder engine with power of 184 bhp on RX7. The Rexton comes with an exclusive torque on demand function. Electronic transmission in Rexton ensures best driving performance, 8-way power seats with memory, Anti-trap electrical sun roof adds to the glamour of the Rexton. Side airbags for RX7 improves the safety and protection of the passengers.

Moving on to the Farm Division, the Company has launched the upgraded variants of 475, 295 with oil immersed brakes, power steering and larger tyres. The Arjun MAT Tractor continues to enjoy the position of strength with the introduction of 2 new variants. Yuvraj Tractor has now crossed the 10,000 volume. The 255 Tractor was launched with better engine offering higher luggability and is well received in the market. The same holds true for 395 and 595 Tractors with OBP sheet metal. The Company has successfully productionised 12 new variants on current Bhoomiputra, Sarpanch and Arjun platforms. In order to showcase the technology prowess, higher horsepower Cabin tractor has been test marketed during the year.

In the International space, the Company has offered the most cost effective emission solutions in the US market while meeting Tier IV norms. The Compact Tractor continues to do well with its PST and HST variants. The integrated cabin project has progressed well and the Company would be launching the same in the coming year. The 90 hp Tractor has now been extended to other markets in Latin America and Africa.

The in-house engine development effort resulted in higher KVA engines adding to the Mahindra Powerol portfolio.

During the year, Auto and Farm divisions filed 47 new patents, while 4 patents were granted.

3. Future plan of action:

Your Company continues its efforts on developing new products and technologies to meet the ever growing customer needs, regulatory requirements, competitive pressures and to prepare for the future.

Your Company has started construction of the Mahindra Technical Academy at Mahindra Research Valley ("MRV") in Chennai. The Mahindra Technical Academy will train and coach the new Graduate Engineers in various system domains to deliver robust designs. At MRV, the vehicle test tracks for validation are operational. All the Company's new technology and product programs are already operating from MRV.

Sustainable mobility solutions are a key focus area and your Company will continue to aggressively pursue technology development in these areas. Some of the key thrust areas in this direction are weight reduction by using alternate materials, designing modularity to take care of variants and VAVE (Value Analysis Value Engineering) approach for meeting cost pressures. Development and adaptation of safety technologies also remain a key focus area.

4. Expenditure on R&D:

The Company spent Rs. 1,060.54 crores (including Rs. 449.78 crores on Capital Expenditure) for Research & Development work during the year, which was approximately 2.41% of the total turnover.

Technology absorption, adaptation and innovation:**1. Efforts, in brief, made towards technology absorption, adaption and innovation**

Your Company has continued its endeavour to absorb advanced technologies for its product range to meet the requirements of a globally competitive market. Special focus and efforts have resulted in many products meeting much higher emission norms of Europe, namely the Euro 5 norms. The Company continues its focus on alternate fuel technologies like CNG, Hydrogen and other fuel cells. Many programmes are being done jointly with industry and academia, to keep these technologies ready for commercial deployment, should the opportunity arise.

2. Benefits derived as a result of the above efforts:

- ▶ Launch of Quanto - New class, Versatile Sporty, distinct SUV.
- ▶ Launch of XUV500 in Chile, Brazil and Europe. Launch of Genio Pick-up in Chile and Europe.
- ▶ Launch of Scorpio with L6 compliant emission norms in Brazil.
- ▶ Launch of Maxximo Plus Mini-truck with pioneering Fuel Smart Technology and class leading performance.
- ▶ Build a knowledge base for the Company.
- ▶ Emphasis on value analysis/value engineering and innovative cost reduction ideas to cut down costs.

3. Imported Technology for the last 5 years

Sr. No.	Technology Imported	Year of Import	Status
1.	Hybrid Vehicles	2008	Technology Absorbed
2.	Transmission Upgrade	2008	Technology Absorbed
3.	Electricals & Electronics Update	2008	Technology Absorbed
4.	Design for New Tractor Transmission	2008	Technology Absorbed
5.	Start Stop Micro Hybrid	2009	Technology Absorbed
6.	New Generation Engine Management System	2009	Technology Absorbed
7.	CNG Engines for Pickups/3 Wheelers	2009	Technology Absorbed
8.	Electronic Programs for Safety, Stability & Steering Control	2009	Technology Absorbed
9.	CAN Based Networking	2009	Technology Absorbed
10.	New Airbag Program	2009	Technology Absorbed
11.	Advanced Materials Technologies	2009	Technology Absorbed
12.	Development of components using alternate materials and advanced manufacturing processes	2010	Technology Absorbed
13.	Engine upgrades and Emission improvement technologies	2010	Technology Absorbed
14.	New transmissions for compact vehicles and Utility vehicles	2010	Technology Absorbed
15.	Technology for NVH management	2010	Technology Absorbed
16.	Electrical and electronic technologies for safety, infotainment and convenience feature addition	2010	Technology Absorbed
17.	Alternate fuel technologies	2010	Technology Absorbed
18.	New suspension system for improved comfort	2010	Technology Absorbed
19.	Development of digital service interface	2010	Technology Absorbed
20.	Agri Implements Technology transfer	2010	In the process of Absorption

Sr. No.	Technology Imported	Year of Import	Status
21.	Electric Vehicle Technology	2011	In the process of Absorption
22.	Advanced Engine Technologies	2011	Technology Absorbed
23.	Advanced Propulsion Technologies	2011	In the process of Absorption
24.	Duel Fuel Technology	2012	In the process of Absorption
25.	Technology for NVH Improvement	2012	In the process of Absorption
26.	Hybrid Vehicle Technology	2012	In the process of Absorption
27.	CNG Injection Technology	2013	In the process of Absorption
28.	Hydrogen Fuel Technology	2013	In the process of Absorption
29.	Duel Clutch Transmission Technology	2013	In the process of Absorption
30.	Advanced Engine Exhaust After Treatment Technology	2013	In the process of Absorption
31.	Vehicle Comfort & Handling Technology	2013	In the process of Absorption

All imported technologies 'In the process of Absorption' would be absorbed as per the respective Technology Absorption Schedule.

(C) Foreign Exchange Earnings and Outgo

The Company continues to strive to improve its export earnings. Further details in respect of exports are set out elsewhere in the Annual Report.

The information on foreign exchange earnings and outgo is furnished in the Notes on Accounts.

For and on behalf of the Board

ANAND G. MAHINDRA
Chairman & Managing Director

Mumbai, 10th June 2013

Particulars of loans/advances and investment in its own shares by listed companies, their subsidiaries, associates, etc., required to be disclosed in the Annual Accounts of the Company pursuant to Clause 32 of the Listing Agreement.

Loans and advances in nature of loans to subsidiaries:

(Rs. in crores)

Name of the Company	Balances as on 31 st March 2013	Maximum outstanding during the year
Mahindra & Mahindra Financial Services Limited	—	100.00
Bristlecone India Limited	—	8.03
Mahindra Gujarat Tractor Limited	1.00	1.00
Mahindra Shubhlabh Services Limited	7.26	8.00
NBS International Limited	—	1.30
Bristlecone Limited	98.46	98.46
Mahindra Overseas Investment Company (Mauritius) Limited	110.72	110.72
Mahindra Two Wheelers Limited	26.00	106.01
Mahindra Navistar Engines Private Limited [renamed Mahindra Heavy Engines Private Limited with effect from 4 th June 2013].	—	10.00
Mahindra Retail Private Limited	—	80.00
Mahindra Gears International Limited	38.22	38.22
Ssangyong Motor Company	465.29	465.29

Loans and advances in the nature of loans to associates

(Rs. in crores)

Name of the Company	Balances as on 31 st March 2013	Maximum outstanding during the year
Vayugrid Marketplace Services Private Limited	—	8.00

Except as indicated above, the Company has not made any loans and advances in the nature of loans to associates or loans and advances in the nature of loans where there is no repayment schedule or repayment beyond seven years or no interest or interest below section 372A of the Companies Act, 1956.



MANAGEMENT DISCUSSION AND ANALYSIS



MANAGEMENT DISCUSSION & ANALYSIS

MAHINDRA & MAHINDRA LIMITED

Mahindra & Mahindra Limited ("M&M") or ("Mahindra") is the flagship brand of the Mahindra Group which consists of 141 companies with diverse businesses across the globe and aggregate revenues of US \$16.2 billion. The Financial Year 2012-13 was a challenging one with several shocks in the global and domestic environment. Your Company however, fortified by its Rise philosophy of accepting no limits, thinking innovatively and driving positive change in the lives of others, successfully took on the challenge of performing in a very volatile environment.

The Automotive and Farm Equipment Sectors of M&M worked together, as always, with distinct and strong customer focus at the front end and structured synergy at the back end. In the Financial Year 2012-13, your Company sold 551,469 vehicles (a growth of 17.5% over the previous year) while tractor sales added up to 224,844 tractors (a drop of 5.0% in comparison to the previous year).

The Automotive and Farm Equipment Sectors, along with their subsidiary companies and joint ventures, achieved global sales of 944,902 vehicles and tractors (685,371 vehicles and 255,531 tractors).

Industry Structure

The Indian automotive industry comprises of a number of Indian-origin and multinational players with varying degrees of presence in different segments. Today, nine of the top ten global automotive manufacturers have a presence in India which clearly points to its importance as a strategic market.

Similarly, the domestic tractor market also has a mix of Indian-origin and international manufacturers and is segmented by horsepower into the sub 30 HP segment, the 30-40 HP segment, the 40-50 HP segment and the higher segment of above 50 HP.

Industry Overview and Trends

Global Automotive Industry

In the calendar year (CY) 2012, global automotive sales registered a growth of 4.9%, compared to 4.4% in the

previous year. This was a moderate pace of growth considering that CY 2010 had a very high growth of 14.1% on the back of the slowdown in CY 2009 (when growth dropped by 3.9%). Source: OICA (Organisation Internationale des Constructeurs d'Automobiles).

China became the world's largest automotive market in CY 2009 with very high growth of ~ 39% CAGR for the period 2008-2010. In CY 2012, China retained its crown as the world's largest automotive market with sales of 19.3 million vehicles, but the growth slowed down to 4.3%.

The US market has shown some signs of recovery, posting 13.4% growth in CY 2012. In terms of size, the US market still lags behind China by around 4.5 million vehicles. Automotive sales in Europe continue to slide. In CY 2012, sales were down by 5.5%, the lowest in the last seven years. Key markets like France, Italy and Spain posted the lowest sales in the last seven years.

Sales in Japan were the highest in five years in 2012, posting a growth of 27.5% as the country bounced back from the effects of the economic slow down and the 2011 earthquake.

Indian Automotive Industry

The Financial Year 2012-13 was a very challenging one for the Indian auto industry. The performance of the Indian automotive industry was significantly lower than the 10-12% growth projected by SIAM (Society of Indian Automobile Manufacturers) at the beginning of the year. The year ended with a growth of just 2.6%. This below potential industry performance was due to factors such as uncertainty over economic growth, high vehicle financing rates, high inflation leading to less discretionary expenses and hike in fuel prices.

Industry volumes (excluding two wheelers) grew just 1.7% over the previous year. Seven of twelve industry sub segments witnessed de-growth during the Financial Year 2012-13.

The Passenger Vehicle segment grew overall by a mere 2.2%, with domestic sales hovering at about 2.6 million vehicles for the second consecutive year. Within this segment, the Utility Vehicle (UV) segment registered a record growth of 52.2%, the

Multipurpose Vehicle (MPV) segment grew by just 1.1%, while the passenger car segment registered a drop of 6.7%. The record growth in the UV segment was driven by new launches, the entry of two MNCs into this segment and the petrol-diesel price gap. This also indicates a possible shift in the choice for type of vehicles. The share of UVs to total passenger vehicles improved to 21% from 14% in the Financial Year 2011-12.

In the Commercial Vehicle (CV) segment, the Light Commercial Vehicle (LCV) segment posted a growth of 14.0%. Driving the growth of the LCV segment was the expansion of the 2-3.5T segment, posting a growth of 72.9%. All other segments within the LCV category posted de-growth. LCV passenger (de-growth of 1.5%), LCV < 2T GVW (de-growth of 1.4%) and LCV >3.5T GVW (de-growth of 22.7%).

The Medium and Heavy Commercial Vehicles (MHCV) segment also de-grew by 23.2%. Overall, the CV segment shrank by 2%.

The LCV Goods Segment witnessed a de-growth in the <2T segment for the first time in 4 years. There was also heightened competition in the 2-3.5T Pick-Up segment on the back of new product launches.

The three wheeler segment posted a modest growth of 4.9% during the year. The three wheeler passenger segment grew by 8.6%, while the three wheeler goods segment posted de-growth of 9.2%.

During the Financial Year 2012-13, the two-wheeler segment grew by just 2.9%. Within two wheelers, scooters/scooterettes grew by 14.2%, motorcycles/step-throughs by 0.1% and mopeds by 1.5%.

The table below summarises the growth of the various segments of the Indian Automotive industry as compared to the previous year.

Segment	Total Domestic Sales			Industry Growth (%)	
	FY11	FY12	FY13	FY12	FY13
Passenger Cars	1,972,846	2,031,306	1,895,471	2.2	-6.7
Utility Vehicles	315,123	363,772	553,660	16.5	52.2
MPV (Vans)	213,574	234,761	237,298	10.0	1.1
Passenger Vehicles	2,501,542	2,629,839	2,686,429	4.7	2.2
MHCV	323,059	349,216	268,263	7.9	-23.2
MHCV Passenger	47,938	49,882	46,553	3.0	-6.7
MHCV Goods	275,121	299,334	221,710	8.8	-25.9
LCV	361,846	460,283	524,887	27.4	14.0
LCV Passenger	44,816	48,868	48,153	10.2	-1.5
LCV Goods < 2T GVW	191,373	251,030	247,426	31.3	-1.4
LCV Goods 2-3.5T GVW	81,262	110,117	190,447	34.8	72.9
LCV Goods > 3.5T GVW	44,035	50,268	38,861	14.2	-22.7
Total CV	684,905	809,499	793,150	18.2	-2.0
3W	526,024	513,281	538,291	-2.4	4.9
3W Passenger	425,358	406,260	441,118	-4.5	8.6
3W Goods	100,666	107,021	97,173	6.3	-9.2
2W	11,768,910	13,409,150	13,797,748	14.2	2.9
Total Domestic	15,481,381	17,361,769	17,815,618	12.2	2.6
Domestic (Excl. 2W)	2,924,446	3,952,619	4,017,870	6.2	1.7

Source: Society of Indian Automobile Manufacturers (SIAM)

Indian Tractor industry

The Indian tractor market, the world's largest, marginally declined to 525,970 tractors, 1.7% lower than the previous year. This was on the back of three years of high growth of 32%, 20% and 11%, respectively. A deficient and delayed South West monsoon and North East rains impacted Indian agriculture, especially in the southern states, already reeling under the impact of consecutive preceding deficient monsoons. This, together with the slowdown on infrastructure spending and ban on quarrying operations in parts of the country resulted in lower sales of new tractors as compared to the previous year.

The result was a drop in excess of 20% in the tractor market in Gujarat and Maharashtra, and the southern states of Andhra Pradesh, Karnataka and Tamil Nadu. The northern and central parts of the country fared better with Madhya Pradesh, Bihar and Chattisgarh clocking over 19% growth, the highest tractor industry growth rates in the country. Uttar Pradesh retained the mantle of the state with the largest tractor sales with over 86,000 units sold in the state alone. This constitutes 16% of the national market, a growth of 2% over the previous year.

The only segments of the Indian tractor Industry that witnessed growth over the previous year were the 30-40 HP segment (the second largest segment by volume) and the <20 HP segment.

Your Company's performance

Automotive Sector – Towards New Horizons

During the year under review, your Company continued its steady progress on its journey to becoming a globally recognised automotive brand. The automotive sector launched several new products and also received numerous awards and accolades.

In the financial year 2012-13, the company strengthened its UV portfolio by launching two new products – the Quanto and the Rexton. The Quanto is a compact SUV which offers consumers aspirational and distinctive style, space and convenience, along with best-in-class features, all of which make it attractive to the younger buyer who leads an active lifestyle. The Rexton global SUV is the first Ssangyong product launched in India. This is a powerful, plush and premium SUV with a host of class-leading technology, comfort and safety features and is a perfect combination of refinement, style and performance. Both products have been very well received by the market and have enabled the Company to enter two new segments. The Rexton is already the second largest selling product in its category.



In March 2013, your Company, through its subsidiary Mahindra Reva, launched the Mahindra e_{2o}, the next generation all-electric, zero emission vehicle. The Mahindra e_{2o} is a manifestation of the Company's vision of the Future of Mobility, expressed by the 5C's framework – Clean, Convenient, Connected, Clever and Cost Effective. This fully automatic EV with boost mode for quick acceleration is ideal for city driving, easy to charge from any 15 Ampere power socket available in every home and has unique connected car technologies that allow customers to remotely access their car from a smart phone app which enables the owner to control several functions, including switching on the AC remotely, locking or unlocking the car from anywhere, etc.

The Automotive Sector, including Mahindra Navistar Automotives Limited (MNAL), a subsidiary of your Company – achieved overall volumes of 530,915 vehicles in the domestic market, a significant growth of 16.9%. Healthy growth in UV and Pick-Up volumes and entry into newer segments are some of the major factors that have contributed to this growth.

In the Passenger Vehicle segment, your Company posted the highest growth rate of 26.5% among the top seven PV players in India. In the Commercial Vehicle segment, your Company recorded sales of 154,699 vehicles, in the process becoming the second largest CV player in India.

As a result of this good performance, your Company's market share of the total Indian automotive market increased to 13.2% in the Financial Year 2012-13 as compared to 11.5% in the previous year.

The table below summarises your Company's performance across all industry segments.

Segment	M&M AS		Industry		M&M Mkt. Share	
	FY13 Actual	Growth (%)	FY13 Actual	Growth (%)	FY13 (%)	FY12 (%)
UV Total	263,925	30.5	553,660	52.2	47.7	55.6
MPV Total	31,437	22.6	237,298	1.1	13.2	10.9
Verito	15,344	-14.0	226,501	21.1	6.8	9.5
LCV < 2T GVW	39,911	-25.9	247,426	-1.4	16.1	21.5
LCV 2 to 3.5T GVW	102,886	40.7	190,447	72.9	54.0	66.4
3W Total	65,510	-2.9	538,291	4.9	12.2	13.1
AD (Dom.) Total	519,013	17.9	1,993,623	20.1	26.0	26.5
LCV > 3.5T	8,925	-13.6	87,014	-12.2	10.3	10.4
HCV (Goods)	2,977	-14.7	116,123	-32.2	2.6	2.0
AS (Dom.) Total	530,915	16.9	2,196,760	13.8	24.2	23.5

Source: SIAM

At the forefront of the industry

- ▶ Your Company maintained its leadership position in the domestic Utility Vehicle (UV) market by selling a record 263,925 UVs, posting a growth of 30.5% over the previous year. M&M's market share in the domestic UV market stood at 47.7% for the Financial Year 2012-13.
- ▶ During this year, the Bolero continued its stellar performance for the second successive year with sales of more than 100,000 units. This tough and rugged UV thus retains the title of India's largest selling UV for the 7th consecutive year. It is also the 5th highest selling passenger vehicle in India and the only UV to feature on the list of Top 10 selling PVs in India.
- ▶ The Scorpio continues to strengthen its iconic status with sales crossing 50,000 units for the second consecutive year.
- ▶ After a spectacular launch two years ago, the Cheetah inspired XUV500 continued to capture the attention of customers. The XUV500 which was designed and developed entirely in-house by Mahindra, is perhaps the most awarded Car/SUV in India, winning 22 awards in 2011-12 alone. The XUV500 also emerged on top in various rallies and endurance tests including Dakshin Dare, Desert Storm and the eight country' ASEAN-India Car Rally 2012'.
- ▶ In the MPV segment, your Company launched the Maxximo minivan VX to expand its portfolio and its market share in the MPV segment stands at 13.2%. The Company also launched the CNG version of the Maxximo during the year.

- ▶ In the highly competitive small load carriage segment (Sub 3.5T) the Company's market share stands at 32.6%. Specifically, in the Pick-Up segment, the Company continues to be the market leader with a share of 54.0%
- ▶ For the year 2012-13, sales of the Verito stood at 15,344 cars.
- ▶ In the HCV segment, MNAL's range of trucks sold 2,977 vehicles and posted a market share of 2.6% (an increase of 0.6% over the previous year).

New Product Launches

At Mahindra, customers are at the core of its business processes and new product development. Our products and initiatives are focussed on catering to the diverse needs of our customers.

- ▶ In September 2012, Mahindra unveiled its all new compact and versatile SUV, the Quanto, which has been designed and developed in-house by Mahindra on the robust, proven and successful Ingenio platform. The Quanto is a direct outcome of customer insights which point to the need for a compact and affordable SUV. Its four distinct and attractive variants are powered by a 1.5 litre mCR100 3 cylinder diesel engine giving a category best output of 100bhp and a massive 240 Nm of torque. The mCR100 engine has India's first twin stage turbo technology for maximum power and excellent torque delivery.



- ▶ In October 2012, your Company launched the much awaited SsangYong Rexton, a luxurious, powerful, plush and premium global SUV. Designed and developed by SsangYong in Korea, this is the third generation Rexton and is most suitable for the discerning Indian customer. Its internationally proven 2.7L (2,696 cc) engine delivers 184 bhp power and 402 Nm torque in the automatic transmission while the manual transmission variant delivers 162 bhp and 340 Nm torque. Its unique technology and safety features include the Electronic Stability Program (ESP), Anti-lock Brake System, Hill Descent Control, Anti Slip regulation and Active Rollover Protection, Engine Immobilizer, Fully Automatic Climate Control System, Memory Function with 3 driver presets for the driver's seat, ORVM and electric sunroof. The Rexton is manufactured and assembled at Mahindra's manufacturing plant located in Chakan near Pune.



- ▶ In July 2012, Mahindra launched the Maxximo Minivan VX, a multi-purpose diesel van on the technologically superior Maxximo platform. Equipped with best-in-class comfort

and safety features and powered by the advanced C2 CRDe fuel-efficient diesel engine, the Maxximo Mini Van VX redefines the entry-level contract carriage segment in India. This stylish diesel van comes with ergonomically designed and well-cushioned seats, best-in-class headroom and legroom and a heavy-duty Independent Front Suspension system for a comfortable journey.



- ▶ In March 2013, Mahindra unveiled the Maxximo Plus, the country's most technologically advanced 0.85 ton payload mini-truck. Equipped with the pioneering yet simple-to-use 'Fuel Smart' technology (a first in the Indian market), the new Maxximo Plus allows the customer to choose between higher power (26 HP; 19.2 kW) or higher mileage (21.9 Kmpl), as and when needed, at the press of a switch. An upgrade over the successful Maxximo launched in 2010, the Maxximo Plus has class-leading power of 26 HP (19.2 kW) for carrying heavy loads faster, fuel efficiency of 21.9 Kmpl, longer wheelbase and stronger rear suspension with seven leafs for greater sturdiness under heavy load and over rough roads.

- ▶ Strengthening its heavy commercial vehicle portfolio, MNAL introduced two new tippers in the year 2012-13.

— In December 2012, the first of its kind MN31 Haulage Tipper – "India's FIRST Haulage Tipper" – targeting long distance transportation of voluminous goods like coal – was launched. It has been specifically designed to enhance customer profitability, especially when it comes to long distance transportation of voluminous goods. The MN31 Haulage Tipper received the 2013 "Apollo CV TIPPER OF THE YEAR AWARD."





- In February 2013, the MN25 Tipper with Bogie Suspension was introduced. The MN25 Tipper comes with a four point suspended cabin which reduces fatigue under gruelling conditions and meets the highest international safety standards. Its powerful driveline and strong and rugged aggregates help in reducing lead time and enhance productivity. With bogie suspension, the MN25 tipper can operate under the most challenging construction operations and enhance profitability of customers, while adding to their peace of mind.

Focus on Customer Centricity

- ▶ Mahindra was ranked 5th in the JD Power CSI study for 2012 and was rated the most improved brand in 2012, significantly improving across all five elements of service operations.
- ▶ The XUV500 was rated No. 1 (jointly with Renault Duster) in the SUV category and the Bolero was rated No. 1 (jointly with the Toyota Innova) in the MUV category by the four wheeler TCS (Total Customer Satisfaction) study conducted by TNS Automotive in 2013.
- ▶ In line with its philosophy of customer centricity, your Company has expanded its network, reaching 70% of all the districts in India. Vehicles from the Mahindra stable can now be serviced even in the remotest areas of Kargil, Port Blair and Reckong Peo in Himachal Pradesh.

Automotive Sector — Overseas Operations

The Automotive Sector of your Company exported a total of 32,456 vehicles during the year 2012-13, posting a growth of 11.2% over the previous year.

The Scorpio continues to take the largest share of the exported products pie, followed by the Maxximo. In the year 2012-13, South Africa, Chile and Bangladesh posted good growth, while change of duty structure in Sri Lanka was a dampener.

Expanding the product portfolio, the XUV500 was launched in Italy, Chile and Nepal to a warm response. The company continues to focus on building the brand and channel in focused markets.

Gearing Up for tomorrow

- ▶ Over the last three years, your Company has taken many steps on its journey towards becoming a globally recognised automotive manufacturer. Key amongst various initiatives were, (i) Setting up the MVML plant in Chakan (ii) establishing MRV Chennai (iii) acquisition of Ssangyong Motors in Korea and (iv) acquisition of a majority stake in Mahindra Reva.
- ▶ In March 2010, Mahindra Vehicle Manufacturers Limited (MVML), a 100% subsidiary of your Company, set up its manufacturing plant in Chakan near Pune. Spread over 700 acres with capacity to manufacture 300,000 vehicles in phase one, the facility is a critical component of your Company's business. Today, MVML Chakan manufactures a wide range of products, including the XUV500, the Genio PickUp, the Maxximo range of vehicles and Mahindra Navistar trucks. In the year 2012-13, MVML Chakan produced over 155,000 vehicles, in the process becoming the largest production facility for your Company. The Chakan plant also houses the facilities for manufacture of the Company's 2 and 3 cylinder engines.
- ▶ In April 2012, your Company inaugurated its world class engineering and research and development centre, Mahindra Research Valley (MRV), in Chennai. With an investment of over Rs. 650 crores and spread over 125 acres in Mahindra World City, MRV bears testimony to the Mahindra Group's commitment to technology-driven innovation. The XUV500 was the first product developed at MRV. Today, the facility houses over 2,000 engineers and is the crucible for all new technology and product programs.
- ▶ The acquisition of Ssangyong Motor Company in 2011 was a significant step towards realising your Company's global ambitions. This acquisition was aimed at expanding our range of SUVs and also delivering synergy benefits in

the areas of product development and sourcing, helping expand global reach. Today, work is underway for joint development of a new vehicle platform and a new engine family with both diesel and gasoline options. Satisfactory progress has been made in the areas of sourcing synergy and network sharing.

- ▶ Mahindra Reva displayed the prototype of its all new electric car, the NXR, at the Delhi Auto show in January 2012. As per plan, in February 2013, the Mahindra e₂o – the next generation electric vehicle – was launched. Your Company is committed to sustainable mobility and believes in the future of the battery operated electric vehicle. Mahindra Reva will continue its focus on developing EV technologies for the future.

Farm Equipment Sector

With its quest to deliver 'Farm Tech Prosperity' to the Indian farmer, the Financial Year 2012-13 saw numerous initiatives by the Farm Equipment Sector in the area of farm mechanisation and across the agriculture value chain.

Tractor and Farm Mechanisation Business

Mahindra & Mahindra Ltd. is the largest tractor company in the world, by volume.

The Financial Year 2012-13 saw the completion of 30 years of M&M leadership in the domestic tractor market, and a domestic market share of 40.2%. In addition, the Swaraj and Mahindra brands enjoyed the distinction of being No. 1 & No. 2 in Customer Satisfaction in the country* (TNS survey).

In this period, your Company sold 224,844 tractors, both domestic and export taken together, under the Mahindra and Swaraj brands, as against 236,666 tractors sold in the previous year. The industry decline in southern strongholds was a key contributor to lower volumes compared to the previous year.

The year was made memorable by some landmark events.

The Swaraj Division was awarded the Deming Application Prize, a huge achievement for this team, given that Swaraj embarked on the TQM journey only very recently. With this, the Swaraj Division became the second tractor company in the world after the Farm Division to win this coveted honour.

Five plants across the Farm Equipment Sector achieved TPM honours this year. Kandivali, Nagpur and Rudrapur under the Farm Division achieved the TPM Consistency Awards, while Swaraj Plants 1 and 2 achieved the TPM Excellence Awards.

March 2013 saw the inauguration of the Farm Equipment Sector's largest tractor plant at Zaheerabad, which incidentally is also the largest tractor manufacturing facility in Asia, with potential capacity of over 100,000 units on a three shift basis. The event was graced by the presence of the Honourable Chief Minister of Andhra Pradesh, Mr. N. Kiran Kumar Reddy and Dr. J. Geeta Reddy, Minister for Major Industries, Sugar, Commerce and Export Promotion. Spread over 80 acres, this state-of-the-art facility has been designed to meet the future tractor production needs for both Mahindra and Swaraj tractors for the southern markets.



In the <30 HP segment market, the Mahindra Yuvraj 215, which is making affordable mechanisation possible for the vast number of small and marginal farmers, faced a difficult environment, with the tractor industry downturn in the strong markets of Maharashtra and Gujarat. The team countered this by expanding into newer markets, thereby exceeding last year's sales with 2% growth. The 255 Power Plus was launched as an upgrade in this category with superior engine and haulage characteristics, and has been well accepted in the market. Strengthening the Swaraj presence in this segment was the Swaraj 724 XM which was launched in September 2012.

In the 30-40 HP segment, the 265 Power Plus introduced in March 2012, made major inroads during the year. Mahindra's competitiveness in this segment was bolstered by the launch of the 395 DI, in the middle of the year. These two products



together led to a gain in market share in this segment. The Swaraj brand was supported by two refreshes of the very popular 735 model, giving the customer more choices in terms of features.

In the 40-50 HP segment, the Swaraj brand introduced the 841 XM, the 744 XM and a refresh version of the 855 FE. The Swaraj 841 XM has been optimised for sandy soil operations. The model has been a key tool for making inroads into this challenging segment of the tractor industry, with SensiLift Hydraulics and optimised tractor geometry together delivering unmatched performance. In the same segment, Mahindra introduced a refresh of the 595 DI, packaging the superior performance of the 595 in a traditional envelope which the customer has grown to trust.



The >50 HP segment, is the segment most impacted by de-growth in the Southern markets and changes in emission norms to TREM IIIA. In the Arjun range, the Arjun Multi Application Tractor (MAT) continues to do well, contributing to over 50% of Farm Equipment Sector volumes in this segment.

Global Footprint

The Sector continued to expand its global footprint with a focus on the key markets of USA and China, amongst other regions.

China

China is the second largest tractor market in the world. The Financial Year 2012-13 was a difficult year in the Chinese tractor market as well. Mahindra volumes from the two Joint Ventures, Jiangxi Mahindra Yueda Tractor Co. Ltd. (JMYTCL) and Mahindra Yueda Yancheng Tractor Company Limited (MYYTCL), declined to 20,867 units in the domestic market,

compared to 26,444 units sold in the same period last year. At the same time, exports from China also declined to 2,548 units, a 51% decline compared with the previous year.

USA

Mahindra USA once again crossed the 10,000 volume mark, achieving a market share of 7.6% in the 0-80 HP segment in which it operates, a formidable achievement in one of the most competitive and demanding tractor markets in the world. It is even more heartening that the business ended the year with a Q4 Market Share of 8%, taking Mahindra USA into the bracket of top 3 tractor manufacturers in the 0-80 HP segment. In addition, Mahindra USA moved to the Number 2 spot in the 2013 North American Equipment Dealers Association (NAEDA) Annual Dealer/Manufacturer Relations Survey for Overall Satisfaction for Major Tractor Manufacturers.

A significant effort has gone into the strengthening of the Mahindra brand in this market, which is reflected in the awards it has won including the American Marketing Association (AMA) Website of the Year (B2C) Crystal Award.

Rest of the World

Continuing last year's trend, the growth story for Rest of World operations was in Africa, with 15% increase achieved in this market over the last year. However, the SAARC region was a challenge, with growth in Bangladesh and Sri Lanka declining by 69% and 43% respectively, primarily due to local conditions in these markets. The Nepal market, which is relatively smaller in size, grew by 34% helping reduce some of the large deficit. On a positive note, both in Nepal and Bangladesh, FES has gained Market Share which augurs well for the company in the long run.

Towards Agri Prosperity – Mahindra AppliTrac

With labour scarcity becoming an ever increasing challenge for farmers across the country, mechanisation of most agricultural operations is the way forward. This has fuelled demand for better and more efficient equipment across the spectrum of operations. AppliTrac continued to grow the market for mechanisation in the country, playing its part in boosting agricultural productivity.

This year, work has been focussed on widening the sales of AppliTrac by reaching customers through the existing Mahindra and Swaraj tractor dealerships in addition to the dedicated AppliTrac distributors and self propelled implement

dealers. This is expected to substantially enhance the reach of the AppliTrac footprint.

Rotary Tillage Equipment

Mahindra Gyrovator – The pride of the rotavation range of equipment in the AppliTrac stable, this product has been well accepted by the Indian farmer by virtue of its sheer performance, placing it in a league of its own. As a result, overall sales of rotavation equipment grew by more than 14% over last year.



Harvesters

AppliTrac offers a range of harvesters from tractor mounted harvesters to Self Propelled units (both track and wheeled version). With deficient monsoons and dampened agri sentiment, the overall market for these products was lower than last year, in line with which AppliTrac sales of harvesters were also lower.



Beyond this, AppliTrac has developed and is in the process of popularising a range of farm machinery including rice transplanters, sprayers, mulchers and balers which will provide the Indian farmer with appropriate and affordable quality mechanisation solutions, thereby helping him increase his productivity.

Construction Equipment — Mahindra EarthMaster creates an impact

With a slowdown in infrastructure spending in the country, the backhoe loader market was also impacted, declining by 7% compared with the previous year, with sales of around 31,000 units across the country. Ever since the introduction of the Earthmaster in the market, the product has enjoyed the best reviews and high customer satisfaction for the superior value of the offering. In this declining market, the team sold 808 units, the same as last year, gaining 0.2% Market Share points. Significant efforts on the sourcing, channel and marketing front by your company in this year are expected to help the Mahindra Earthmaster become one of the top backhoe loader brands in the coming period.

Contributing to Indian Agriculture

Beyond tractors and mechanisation, the Sector offers farmers a whole range of agri input solutions including micro-irrigation, crop care solutions and seeds. In addition, the Sector is making modern agronomy know-how and services accessible to farmers across the country under the Mahindra Samridhi umbrella. With a 1.4x growth rate, the Agri Business is poised for strong future growth and is making a significant impact on the lives of millions of farmers across the country.

Micro-irrigation business

Your Company made a foray in this space through the acquisition of a stake in EPC Industriè Limited, one of India's leading micro-irrigation companies. By focussing on strengthening its presence in existing markets, the business achieved 29% growth over the previous year.

Micro-irrigation offers tremendous benefits to the farmer, including water savings of more than 25%, reduced expenditure on labour and fertiliser and higher productivity. By virtue of this development, your Company will be able to help the farmer to better utilise scarce water resources and thereby contribute to overall water conservation in the country.

In the present scenario of delayed and erratic monsoons, this offering is vital to ensure the sustenance and viability of agriculture in the country.

Mahindra Samriddhi

Each Samriddhi Centre offers innovative farming technologies that transform the lives of farmers by helping them to improve productivity. At the end of the previous financial year, over 158 Mahindra Samriddhi centers were operationalised. Through their activities, the Samriddhi centres have together impacted the lives of over 78,000 farmers, by making innovative farming technologies accessible to them, to increase their productivity and price realisation. Of these 158 centres, 66 centres have gone beyond providing agronomy know-how and are making one or more farming inputs available to farmers in their vicinity.

The Mahindra Samriddhi India Agri Awards continues to be the premier event in the field of agriculture for the third consecutive year. The event, which was graced by leading luminaries from the field of agriculture, honoured the torch bearers of farm prosperity from across the nation.

Crop Care

Helping farmers grow crops better despite the constant threat of virus, disease and nutrient deficiency are the team from Crop Care who offer a range of herbicides, pesticides and fungicides to farmers across 17 states in the country.

With 9,000 farmer meetings and 3,500 product demonstrations last year, the business has grown 60% over the previous period. This has been aided by the launch of 13 new products, taking the overall portfolio offering to 58.

Seeds

Use of improved seeds, especially hybrids, is one of the key drivers of higher quality produce and superior yield, hence the focus on this part of the agri value chain, which is in its infancy today. With a portfolio of quality seeds spanning field crops, cash crops and vegetables, this business reaches out to farmers across 8 states in the country.

Powerol — Powering India

For Powerol, the Financial Year 2012-13 marked a return to the Rs. 1,000 crore gross revenue mark. The last time the business crossed Rs. 1,000 crores was in 2010. At that time, Telecom Diesel Generator (DG) sales contributed over 58% of Powerol revenue, while today Telecom DG contributes just 19% of Powerol revenue, thanks to sustained efforts by the team to diversify into newer revenue streams.



Of these newer revenue streams, the retail segment is the largest contributor, especially the lower capacity segment (<82.5 kVa). In this segment, Powerol enjoys a market share of 28.5%, the second largest in this space, and is steadily closing the gap with the market leader.

In collaboration with strategic partners, Powerol is steadily expanding into the higher capacity (kVa) space as well.

Becoming future ready, the business is focusing on offering cutting edge products and services. These include Ultra Super Silent DGs (< 58 dB) launched for telecom, marking a quantum improvement in customer connect by using digital solutions "eFSR" and "eConnect", Energy Management Solutions – bio-mass, solar and fuel cell based energy solutions, amongst many more.

Opportunities and Threats

Automotive Sector

In spite of the current slowdown, the mid to long term growth forecast for the Indian economy remains healthy. As a result of an increase in income levels and lifestyle aspirations, the potential size of the Indian passenger vehicle market by the Financial Year 2016-17 is likely to be as large as ~5 million vehicles, with a growth rate of 13-15% per year. (Source: SIAM)

The current low vehicle penetration of 15 vehicles per 1,000 population (compared to an average of 120 vehicles per 1,000 population for the world) also suggests that there are

significant growth opportunities for the industry. Given the importance of the automobile industry to the economy, its potential for employment and due to its backward and forward linkages with many sectors, the Government is keen to support its development.

On the other hand, there is continuous pressure globally to reduce emissions from automobiles, leading to the need for ongoing investments in technology upgradation and alternate energy across the automotive value chain. Growing environmental consciousness among consumers, government regulations to manage traffic congestion, as well as improvement in public transport infrastructure are trends that will have a significant impact on the future of the automotive industry. Automobile manufacturers such as your Company have to monitor such trends carefully and adapt to them quickly.

For Commercial Vehicles, the growth in agriculture and industrial production, the spread of organised retail and the growing prevalence of the hub-and-spoke model for transportation of goods will lead to a significant expansion of the overall market size. In the mid to long term, stricter implementation of norms related to overloading of goods vehicles and road worthiness will also lead to considerable expansion in the market for CVs.

Farm Equipment Sector

Continued support from the Government for agriculture and rural development, broad basing of the rural economy, greater adoption of improved agricultural practices (mechanisation, micro-irrigation, hybrid seeds, nutrient based fertiliser application, etc.) are positive developments that will drive sustainable agriculture and rural growth.

Within India, there are several areas of low tractor penetration, especially among the large base of small and marginal farmers. With increasing cost and scarcity of farm labour, greater adoption of various forms of mechanisation is the way forward. New concepts like "Custom Hiring" are being considered by both central and state governments to boost this adoption. These are opportunities which your Company is well positioned to tap.

Investments in capacity augmentation by most players and industry de-growth over the previous year could lead to price wars. Increased competition will lead to more frequent product launches in all industry segments and raise customer

expectations in terms of performance, quality and technology, leading to higher costs. Your Company views this as both an opportunity and a challenge.

Despite having the second largest area of arable land in the world and favourable environmental conditions, lower than world average yields have limited India's agricultural output. Having taken on the goal of 'Delivering Farm Tech Prosperity' and with the creation of the agribusiness vertical, your Company is geared to contribute in this area.

Power shortage remains a reality across the country with power capacity additions not keeping up with demand growth. This is an opportunity for your Company to continue to offer power solutions to retail and institutional customers in urban and rural centres, increasing their realm of possibility.

In addition, the need for green and efficient technologies is being strongly felt by customers, who are looking beyond traditional choices. By working closely with these customers to develop feasible cutting edge solutions, your company is well poised to ride the new wave as it emerges.

Risks and Concerns – Automotive and Farm Equipment Sectors

The Company's business is exposed to many internal and external risks. Your Company has put in place robust systems and processes, along with appropriate review mechanisms to actively monitor, manage and mitigate these risks.

Commodity Prices

Globally, commodity prices declined in the first half of the Financial Year 2013-14, but rupee depreciation restricted the price decline in India, resulting in moderate commodity inflation. Your company successfully mitigated the material cost impact through cost reduction and value engineering. In the second half of the Financial Year 2012-13, with the further slowdown of the economy, the industry benefited from the drop in commodity prices.

In the Financial Year 2013-14, we expect a moderate revival of the global economy. It is expected that the commodity prices will largely be stable in the first half of the year and then possibly firm up in the second half, with the economy improving. Your Company continues to watch the market situation closely and continues to focus on cost re-engineering to minimise the impact.

Capacity

With the rapid growth of the Indian auto industry, some of the Company's key suppliers occasionally face capacity constraints and are unable to meet demand peaks. This could lead to potential loss of volumes and market share. The Company is working closely with its key suppliers to minimise such supply constraints through capacity planning, capacity enhancement and longer term contracts. Opportunities for global sourcing are also being actively explored.

Competitive Intensity

Keeping in mind the high growth potential of the Indian automotive market, all Original Equipment Manufacturers (OEMs) are actively investing in new product development and product technology upgrades.

Multinational OEMs are increasingly becoming India focused and developing products which are built around the needs of the Indian customer. Further, with increased local sourcing and development taking place in India, cost structures of multinational corporations are becoming competitive. Also, in the past, most MNC OEMs entering India were focused on the car market. In the recent past, they have started to focus on the UV segment as well. We expect this trend to continue, leading to the competition in the UV space becoming very intense.

With the strengthening of the hub and spoke transportation model, the need for vehicles in the feeder and distributor routes is going up. Keeping this trend in mind, many new products are being launched in the 2-3.5T Pick-Up segment, resulting in high competitive intensity.

Your Company continues to invest in new product development as well as technology upgrades and will focus on delivering customer centric products. Frugal innovation remains a thrust area for the Company as it moves forward.

Tax and Excise Duty Regulations

In India, there is a large differential between taxes levied on small cars and larger vehicles. With the resulting lower price tag for small cars, many customers may opt to postpone large car purchases or buy a small car which could impact the growth of UVs and the large car segment.

In the Union budget 2013-14, the government levied 3% extra excise duty on SUVs larger than 4,000 mm length, with more than 170 mm ground clearance and engine capacity of more

than 1,500 cc for diesel engines. While most of your Company's products fall within this description, certain key competitor products have the benefit of lower excise duty, offering them an advantage. Your Company is working on plans to meet the changing regulatory environment.

Many state governments have increased the registration tax for diesel vehicles. Almost all of your Company's UV models are diesel powered and an increase in prices can have a negative impact on demand.

Diesel – Petrol price parity

In January 2013, the Government of India announced a policy for partial deregulation of diesel prices. In line with this policy and market dynamics, the diesel – petrol price gap has narrowed from Rs. 30 in Q1 F13 to Rs. 21 in Q4 F13. This will impact the cost of ownership and may have an impact on the demand of your Company's products, as almost all its products are diesel powered.

Environment and Alternate fuels

Stringent regulatory norms are being introduced to safeguard the environment, especially in the area of emissions. Your company has invested in appropriate technologies to meet these regulations.

At present, there is customer demand for vehicles powered by CNG, LPG and electric batteries, as well as hybrid powertrains and the Government is also promoting these. Your Company is well prepared to meet these demands. It has proactively invested in development of vehicles that run on CNG, biodiesel and hydrogen. Further, substantial progress has been made for development of a hybrid powertrain.

The launch of the Mahindra e₂o, the next generation electric vehicle, in March 2013 was an important milestone in this direction. The vehicle was launched by Mahindra Reva Electric Vehicles Private Limited, a subsidiary of your Company. The company continues its effort to upgrade its EV technology capabilities.

Your Company has also developed tractors and gensets capable of running on bio-diesel which are a benchmark for fuel efficiency.

Financial Market Conditions

The Reserve Bank of India (RBI) cut its policy rates – repo and CRR – beginning September 2012. The RBI delivered a total CRR reduction of 75 bps, in view of significant liquidity shortages in

the system. It also cut the Repo rates by 50 bps during January – March of the Financial Year 2012-13. While the bond markets, led by Govt bonds, reflected some of these reductions, the Base Rates of leading banks remained unchanged. Hence, the cost of borrowing in the corporate loan market remained relatively high. The external commercial borrowings remained favourable as was the domestic bond market for good corporate credits. Your company however, was not a borrower during the year but retained a cash surplus throughout the year. The retail auto loans saw some corrections but no major reductions. However, your company's products remained attractive financing propositions for financiers and availability of finance remained comfortable. The company also strengthened its banking relationships to ensure that financing for the ecosystem of suppliers and dealers is fortified to meet the requirements of business.

During the year, Current Account Deficit (CAD) attained alarming proportions, sowing doubts about the sustainability of INR strength. The slowdown in exports and increasing gold imports were some key factors for the deficit. Your company has a policy for hedging its net currency exposures to reduce risks. However, continued CAD and the depreciation of INR can have implications for the management of fiscal and monetary policies and in turn, these may affect the financial markets. Such adverse financial market developments can impact demand, interest rates and foreign exchange exposures of your company. Your company would strive to meet the challenges arising out of these risks through a combination of preservation of cash and robust financial flexibility.

New projects

In order to meet customer needs and keep a watch on competition, your Company is investing in an aggressive new product development programme. The success of new product launches will have an important bearing on its future growth and profitability.

Monsoon

A normal monsoon is vital for both agriculture as well as the rural economy. The tractor business in particular and the automotive business to some degree, run the risk of a drop in demand in case of a significant variation in the monsoon, both positive and negative. In addition, an untimely monsoon and uneven spread have the potential of adversely impacting the business.

Outlook – Automotive & Farm Equipment Sectors

Both the Automotive and Farm Equipment Sectors with their updated product portfolios and continued exploration of global horizons will strive to maintain their leadership position in their respective markets. Simultaneously, your Company will continue its focus on achieving cost leadership through focused cost optimisation, productivity improvements, value engineering, improved efficiency measures like supply chain management, connectivity of all its suppliers and dealers and exploiting synergies between its Sectors. The long term outlook for the automotive industry is bright and robust, though in the near term there are some challenges relating to the external environment. Inflation, interest rates, fuel prices and steep price hikes stemming from either commodity prices or taxes could dampen consumer confidence and sentiment which has always been a key determinant of automobile sales.

In the long term, the Indian economy is projected to grow rapidly and demand conditions are expected to remain strong. According to SIAM long term forecasts, the Indian automobile industry is expected to grow at an annual average rate of 10-15%. However, in the near term, the challenges as outlined above will have a bearing on demand and OEM profitability. For the Financial Year 2013-14, SIAM has projected a growth of 5-7% for the personal vehicle segment, 10-12% for the LCV Goods segment and 1-3% for the MHCV segment.

Similarly, in the case of tractors, the long term outlook continues to be positive with the tractor industry expected to continue to grow with a CAGR ranging between 7% and 10%.

Strategy

Automotive Sector

Your Company is pursuing several strategic initiatives in all key areas of business, to maintain a healthy and sustainable growth for its Automotive Sector. Some of the key elements of strategy include enriching the product portfolio to strengthen presence across various automotive segments, continually refreshing and updating products and strengthening R&D and technology capabilities.

In addition, your Company is pursuing expansion in overseas markets through organic and inorganic routes. Establishing the channel and building the brand in key focus markets remain the priorities for your Company.

With increasing concerns over global warming and the need for sustainable mobility, your Company continues to focus and invest in development of alternate fuel technologies and solutions in this area.

Farm Equipment Sector

The Farm Equipment Sector's strategy is aligned to delivering Farm Tech Prosperity to the farmer. The core business of tractors will deliver this through its range of existing and future products that reduce drudgery and enhance farm productivity. At the same time, the business will continue to build on its position of global leadership in volumes across major markets around the world. In addition, your Company will offer a wider range of mechanisation solutions to make life easier and more prosperous for farmers. This will enable the organisation to offer farmers a range of inputs and know-how. All these together will thus, lead to greater farm productivity and deliver prosperity, strengthening the Company's leadership position.

Material Developments in Human Resources/ Industrial Relations for Automotive and Farm Equipment Sectors

The strategic purpose of Human Resources in the Mahindra Group is to be the change agent for creation of a cultural transformation to create competitiveness at the marketplace through sustained business outperformance while simultaneously addressing the needs of all its stakeholders, starting with customers and employees and strengthening the core values of the Group. In the long run, the metric for success would be improvements in the total factor productivity, while addressing the business imperatives of cash, cost, competence and confidence. The emphasis was on aligning all the HR levers towards achieving these goals.

In line with the above, the internal transformation journey through Rise to create a company of tomorrow saw a slew of initiatives taken to bring the Rise cultural pillars of Accepting No Limits, Alternative Thinking and Driving Positive Change alive through the nuts and bolts of HR levers. The philosophy of Rise and its three cultural pillars have got a buy-in from employees across the Group. In order to ensure internalization of this culture, the Mahindra Leadership Competency Framework has been developed and rolled out across the company. A complete integration of these competencies has been achieved in recruitment, on-boarding and other HR processes. We are now working towards integrating Rise with other HR levers like

Talent Management, Leadership Development, Rewards and Recognition and the Performance Management System.

In this overall architecture, some key strategic initiatives that need mention are employer branding, coupled with the employee value proposition to provide employees with a uniform One Mahindra experience. The template for creating Tomorrow's Leaders and harnessing the power of diversity (across its many dimensions which include gender, age, nationality and culture) is also being put in place. There was huge focus on the Talent Management and Leadership Development process which included Development Centers, Individual Development Planning, e-learning, up-skilling programs, Leadership Lifecycle programs and action-learning projects. This was supplemented by a continuous dialogue with top management through Intranet and Fireside Chats. The Talent Management process has been strengthened with the Sector Councils and the Apex talent council playing a pivotal role in processes like Succession Planning, Career Planning, Job Rotation, Hi-potential Identification and talent pipeline development process. The Performance Management System has helped in the integration of the Balanced Score Card with business goals which in turn have been aligned with individual goals through the annual goal setting process. The rigour in implementation has helped in creating a shared understanding and has tapped the discretionary efforts of employees in building a culture of outperformance. In order to ensure that the pulse of the employees is captured, a customized employee engagement model called MCARES has been launched and interventions to create an engaged workforce have been put in place.

A Leadership development process with a three tier approach, at the entry, middle and senior management levels, has been put in place. Tie-ups with Harvard Business School (HBS), Wharton School of Management, Ross School of Management – Michigan, Centre for Creative Leadership (CCL) – USA, Indian Institutes of Management and other leading management institutions in the country have helped us in a big way in building capability. The 3E approach (Experience, Exposure and Education) towards capability building has been integrated into the development process and capability building. Experience is delivered by providing people with meaningful roles/projects, Exposure happens through coaching and mentoring by leaders and Education by building mental acumen through development programs and classroom training. We are trying to bring together the various learning initiatives under one common

umbrella to synergize and create a learning organization. The project of integrating and creating e-enabled services covering 24 HR processes has been nearly completed and we are able to see positive results emerging out of it.

The Rise internalization programs not only covered officers but also the workmen on the shop-floor and there has been a whole-hearted participation by workmen in all the manufacturing plants. The Transformational Work Culture initiative has gained acceptance on the shop floor and the Transformational Work Culture Committee (TWCC) is working on a long term strategy and approach with a view to ensure a productive shop-floor and build competitiveness at the marketplace. Although the overall Industrial Relations climate in the country and the industry has been adverse, we have been able to maintain cordial relations. Our philosophy of solving issues through dialogue and building trust has helped us to a large extent in maintaining harmony on the shop floor. The strife at two of our manufacturing locations has also been resolved amicably. In order to foster togetherness at the workplace, we organized training and engagement programs across all locations for developing behavioural and technical skills of workmen. These training programs covered a wide range of topics, including Positive Attitude, Stress Management, Creativity, Team Effectiveness, Safety and Environment, Quality Tools, TPM, Dexterity and Technical Training.

The permanent employee strength of Mahindra & Mahindra Limited as on 31st March 2013 was 19,434.

Internal Control Systems

The Company maintains adequate internal control systems commensurate with the nature of its business and size and complexity of its operations. These are regularly tested for their effectiveness by Statutory as well as Internal Auditors. In the highly networked IT environment of the company, validation of IT Security receives focussed attention from IT specialists and Statutory Auditors. The Company has a strong and independent internal audit function consisting of professionally qualified accountants and engineers. The Chief Internal Auditor reports directly to the Chairman of the Board. Significant observations made by the internal audit team and the follow up actions thereon are reported to the audit committee. The audit committee reviews the adequacy and effectiveness of the company's internal control environment and monitors the implementation of audit recommendations.

Discussion on financial performance with respect to operational performance

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India.

The Group's consolidated financial statements have been prepared in compliance with the standard AS 21 on Consolidation of Accounts and presented in a separate section.

Financial Information [Standalone]

Fixed Assets:

As at 31st March 2013 the Fixed Assets was Rs. 5,821.34 crores as compared to Rs. 5,088.08 crores as at 31st March 2012. During the year, the Company incurred capital expenditure of Rs. 1,435.62 crores (previous year Rs. 1,374.69 crores). The major items of capital expenditure were on New Product Development, Capacity Enhancement and Research & Development, including on the Company's research facility in Chennai.

Inventories:

	March 31, 2013	March 31, 2012
Raw materials and bought out components as a % of cost of materials consumed	3.85%	4.43%
Finished goods and Stock-in-trade as a % of sales of products	3.11%	3.74%

The reduction in raw material and bought out components as a percentage of consumption and of finished goods as a percentage of sales is due to better materials planning and control.

Trade Receivable:

Trade Receivable is Rs. 2,208.35 crores as at March 31, 2013, as compared with Rs. 1,928.53 crores as at March 31, 2012. Though higher as an absolute amount, as a percentage of Gross revenue from sales of products and services, trade receivable is lower at 5.15% for the year ended March 31, 2013, as compared to 5.69% for the previous year. The increase in the trade receivable levels during the current year is due to growth in the volume of auto sales.

Long Term & Short Term Borrowings:

Borrowings (including current maturities of long term debt and unclaimed matured deposits) have decreased from Rs. 3,582.67 crores in the previous year to Rs. 3,489.29 crores in the current year. The decrease is primarily on account of repayment of borrowings in the current year.

RESULTS OF OPERATIONS

Income:

(Rs. crores)

Particulars	FY13		FY12		Inc./ (Dec.)
	Amount	%	Amount	%	%
Sale of Products	42,502.27	105.10	33,531.33	105.29	26.75
Sale of Services	372.34	0.92	361.69	1.14	2.94
Other Operating revenue	538.04	1.33	455.16	1.43	18.21
Gross Sales & Income from Operations	43,412.65	107.35	34,348.18	107.85	26.39
Less: Excise Duty on Sales	2,971.49	7.35	2,500.99	7.85	18.81
Net Sales & Income from Operations	40,441.16	100.00	31,847.19	100.00	26.99
Other Income	549.17	1.36	472.12	1.48	16.32

Net Sales, Income from Operations & Other Income:

The net sales and income from operations of the Company grew by 26.99 % over the previous year and this was mainly because of growth of 41.36% in the automotive business. This growth in the automotive business was due to the increased volumes in both the domestic and export markets.

Other income during the Financial Year 2012-13 at Rs. 549.17 crores is higher than Rs. 472.12 crores earned in the previous year due to higher dividend income from subsidiaries and other miscellaneous income.

Expenditure:

(Rs. crores)

Particulars	FY13		FY12		Inc./ (Dec.)
	Amount	% to Net Sales & Income from Operations	Amount	% to Net Sales & Income from Operations	%
Material Costs	30,415.24	75.21	23,499.77	73.79	29.43
Employee Benefits Expense	1,866.45	4.62	1,701.78	5.34	9.68
Finance Costs	191.19	0.47	162.75	0.51	17.47
Depreciation and Amortisation Expense	710.81	1.76	576.14	1.81	23.37
Other expenses	3,450.17	8.53	2,881.25	9.05	19.75
Total Expenses	36,633.86	90.59	28,821.69	90.50	27.11

The total expenditure during the year as a percentage of Net Sales/Income from Operations is 90.59 % as compared to 90.50 % in the previous year.

Material Cost:

The increase in material cost has been largely driven by the rise in input cost due to increase in commodity prices and changes in product mix. The above were partially offset through selling price increase and continued cost reduction initiatives undertaken by the Company.

Personnel Cost:

Personnel cost has increased by 9.68% to Rs. 1,866.45 crores from Rs. 1,701.78 crores in the previous year. This is mainly due to increase in strength and annual increments during the year.

Other Expenses:

Other expenses as a percentage of net sales and operating income shows a decrease over the previous year. However, expenses in absolute terms are higher due to increased marketing related expenses on warranty, incentives, advertisement and sales promotion due to greater volumes and for brand building.

Depreciation and Amortisation:

The depreciation and amortisation for the year ended March 31, 2013 stood at Rs. 710.81 crores as compared to Rs. 576.14 crores in the previous year. This is due to the impact in the current year on account capitalization of assets during the year and increased amortisation of intangibles.

Finance Costs:

The interest expense for the year ended March 31, 2013 is Rs. 191.19 crores as compared to Rs. 162.75 crores in the previous year. This is mainly due to vendor bill discounting scheme.

Exceptional Item:

The profit from Exceptional Item during the year ended 31st March 2013 is Rs. 90.62 crores as against Rs. 108.27 crores in the previous year. The profit in the current year is on account of profit earned on sale of shares of Mahindra Holidays & Resorts India Limited. The Exceptional item in the previous year was on account of reversal of provision for impairment of assets, acquired as part of the merger of the automotive business of Mahindra Automobile Distributor Private Limited with the Company as per Scheme of Arrangement.

Provision for taxation:

The provision for current tax and deferred tax for the year ended March 31, 2013 as a percentage to profit before tax is higher than the previous year, because of a revaluation of the Company's deferred tax liability due to increase in the statutory tax rate from 32.45% to 33.99%. Moreover, the tax charge during last year was lower due to the unabsorbed tax losses of the automotive division of MADPL which became available to the Company on the merger of that division with the Company.

Consolidated Financial Position of the Mahindra Group

As of 31st March 2013, the Group comprised of the flagship holding company, Mahindra & Mahindra Limited, 123 Subsidiaries, 5 Joint Ventures and 12 Associates.

The Gross Revenue & Other Income for the year ended 31st March 2013 of the Consolidated Mahindra Group is Rs. 74,403.0 crores as against Rs. 63,357.80 crores for the previous year. The Group's net revenue and other income grew by 15.7% to Rs. 69,124.60 crores in the current year from Rs. 59,744.95 crores in F-2012. The profit before exceptional items and tax for the current year is Rs. 5,127.87 crores as compared to Rs. 4,122.76 crores in the previous year. The consolidated Group Profit for the year after exceptional items, prior period adjustments and tax and after deducting minority interest is Rs. 4,099.20 crores as against Rs. 3,126.66 crores earned last year.

Tech Mahindra Ltd., the company's flagship company in the IT Sector, has reported consolidated revenue of Rs. 6,873.08 crores in April 2012 – March 2013 as against Rs. 5,489.69 crores in the previous year – an increase of 25.2%. Its consolidated PAT, backed by an impressive performance by its associate Mahindra Satyam, grew by 17.6% to Rs. 1,287.81 crores as against Rs. 1,095.54 crores in the previous year. During the year, Tech Mahindra acquired a 100% stake in Hutchison Global Services Private Limited (a company engaged in providing BPO services) and a 55.67% stake in Comviva (a global leader in providing mobile value added services).

The Group's finance company, Mahindra & Mahindra Financial Services Limited (MMFSL), maintained a healthy growth in business and profits despite the slowdown in the auto and tractor industry and the continuing high cost of borrowings,

through transaction cost control and high collection efficiency. During the year ended 31st March 2013, MMFSL registered a disbursement growth of 22% over the previous year and maintained its leadership position for vehicle and tractor finance in the rural and semi urban markets. It reported a total consolidated income of Rs. 4,112.96 crores during the current year as compared to Rs. 2,910.32 crores last year – a growth of 41.32%. The consolidated profit after tax for the Financial Year 2012-13 grew by 44.06% from Rs. 643.50 crores in the previous year to Rs. 927.04 crores in the current year.

Mahindra Lifespace Developers Limited, the Group's subsidiary in the business of real estate and infrastructure grew its consolidated operating income from Rs. 701.27 crores to Rs. 738.34 crores – an increase of 5.29%. The consolidated profit after tax after minority interest for the year grew by 18.7% to Rs. 141.37 crores from Rs. 119.08 crores in the previous year.

Segment Results (before exceptional item)

The results achieved by major business segments of the Group are given below:

(Rs. Crores)

	Segments	FY13	FY12
1.	Automotive	2,330.01	1,156.81
2.	Farm Equipment	1,827.56	1,924.54
3.	Financial Services	1,284.03	953.48
4.	Steel Trading & Processing	88.09	122.84
5.	Infrastructure	242.58	198.00
6.	Hospitality	141.11	131.94
7.	IT Services	221.78	424.54
8.	Systech	(44.42)	225.68
9.	Others	(295.31)	(256.40)
10.	Eliminations	25.63	(131.52)
	Total	5,821.06	4,749.91

Disclaimer

Certain statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.



CORPORATE GOVERNANCE





CORPORATE GOVERNANCE

MAHINDRA & MAHINDRA LIMITED

Your Company's Governance practices are built on core values, beliefs and ethics derived through sustained efforts and commitment to the highest standards of Corporate Conduct.

Your Company believes that sound Corporate Governance is critical for enhancing long-term shareholder value and retaining investor trust.

A Report on compliance with the Code of Corporate Governance as prescribed by the Securities and Exchange Board of India and incorporated in the Listing Agreement is given below.

I. Board of Directors

The composition of the Board of your Company is in conformity with Clause 49 of the Listing Agreement, as amended from time to time. The Chairman & Managing Director of the Company, though a Professional Director in his individual capacity, is a Promoter and the number of Non-Executive Independent Directors is more than one-half of the total number of Directors. The Board reviews and approves strategy and oversees the actions and results of the management to ensure that the long term objectives of enhancing stakeholders' value are met.

The Chairman & Managing Director and the Executive Director & Group Chief Financial Officer are the Whole-time Directors of your Company. The remaining Non-Executive Directors, comprising of ten Independent Directors and one Non-Independent Non-Executive Director as on 31st March 2013 possess the requisite qualifications and experience in general corporate management, finance, banking, insurance, economics and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

As reported in the Annual Report for the Financial Year 2012, Mr. Keshub Mahindra relinquished his office as Chairman and Director of the Company at the conclusion of the 66th Annual General Meeting ("AGM") of the Shareholders held on 8th August 2012. Consequent to the above mentioned Board level change, Mr. Anand G. Mahindra was elevated to the position of Chairman and designated as Chairman & Managing Director of the Company with effect from the conclusion of the 66th AGM of the Shareholders held on 8th August 2012.

Apart from reimbursement of expenses incurred in the discharge of their duties, the remuneration that these Directors would be entitled under the Companies Act, 1956 as Non-Executive Directors and the remuneration that a Director may receive for professional services rendered to the Company through a firm in which he is a partner, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates which in their judgment would affect their independence. None of the Directors of the Company are inter-se related to each other.

Professional fees for the year under review to Khaitan & Co., Advocates & Solicitors, in which Mr. R. K. Kulkarni, Non-Executive and Independent Director is a partner, amounted to Rs. 389.67 lakhs (including out of pocket expenses).

The Senior Management of the Company have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

A. Composition of the Board

The Board comprised of thirteen Directors as on 31st March 2013. The names and categories of Directors, the number of Directorships and Committee positions held by them in the companies are given below. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all the companies in which he is a Director.

Directors	Category	Total Number of Directorships of public companies*, Committee Chairmanships and Memberships as on 31 st March 2013		
		Directorships\$	Committee Chairmanships+	Committee Memberships+
NON-EXECUTIVE				
Mr. Keshub Mahindra®	Promoter	–	–	–
Mr. Deepak S. Parekh	Independent	9	2	6
Mr. Nadir B. Godrej	Independent	10	1	2
Mr. M. M. Murugappan	Independent	12	4	5
Mr. A. K. Nanda	Non-Independent	12	4	6
Mr. Narayanan Vaghul	Independent	5	2	2
Dr. A. S. Ganguly	Independent	3	–	–
Mr. R. K. Kulkarni	Independent	8	2	7
Mr. Anupam Puri	Independent	4	–	2
Dr. Vishakha N. Desai [#]	Independent	1	–	–
Mr. Vikram Singh Mehta [#]	Independent	5	–	1
Mrs. D. Vijayalakshmi [^] [Nominee of Life Insurance Corporation of India (“LIC”)]	Independent	2	–	–
EXECUTIVE				
Mr. Anand G. Mahindra (Chairman & Managing Director)	Promoter	8	–	1
Mr. Bharat Doshi (Executive Director & Group Chief Financial Officer)	Non-Independent	8	2	3

® Relinquished his Office as Chairman and Director of the Company at the conclusion of the 66th AGM of the Company held on 8th August 2012.

* Excludes private limited companies, foreign companies, companies registered under section 25 of the Companies Act, 1956 and Government Bodies.

\$ Excludes Alternate Directorships but includes Additional Directorships and Directorship in Mahindra & Mahindra Limited.

+ Committees considered are Audit Committee and Shareholders/Investors Grievance Committee, including that of Mahindra & Mahindra Limited.

Appointed with effect from 30th May 2012.

^ Appointed as an Additional Director with effect from 25th October 2012 and resigned with effect from 5th June 2013.

B. Board Procedure

A detailed Agenda folder is sent to each Director in advance of the Board Meetings and the Committee Meetings as well as soft copy of Agenda(s), Presentation(s), etc. are also uploaded on the Board Portal to provide web-based solution that acts as a document repository. To enable the Board to discharge its responsibilities effectively, the Chairman & Managing Director apprises the Board at every Meeting of the overall performance of the Company, followed by Presentations by the concerned Sector President(s). A detailed functional Report is also placed at the Board Meeting(s). The Board also, inter alia, reviews strategy and business plans, annual operating and capital expenditure budget(s), investment and exposure limit(s), compliance report(s) of all laws applicable to the Company, as well as steps taken by your Company to rectify instances of non-compliances, review of major legal issues, minutes of the Board Meetings of your Company's subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary companies, approval of quarterly/half-yearly/annual results, significant labour issues, transactions pertaining

to purchase/disposal of property(ies), major accounting provisions and write-offs, corporate restructuring, Minutes of Meetings of the Audit and other Committees of the Board and information on recruitment of Officers just below the Board level, including the Company Secretary and Compliance Officer.

C. Number of Board Meetings, Attendance of the Directors at Meetings of the Board and at the Annual General Meeting

During the year 1st April 2012 to 31st March 2013, seven Board Meetings were held on the following dates – 30th May 2012, 8th August 2012, 1st October 2012, 25th October 2012, 13th December 2012, 8th February 2013 and 20th March 2013. The gap between two Meetings did not exceed four months. These Meetings were well attended. The 66th AGM of the Company was held on 8th August 2012.

The attendance of the Directors at these Meetings was as under:

Directors	Number of Board Meetings Attended	Attendance at the AGM
Mr. Keshub Mahindra@	2	Yes
Mr. Anand G. Mahindra	6	Yes
Mr. Bharat Doshi	7	Yes
Mr. Deepak S. Parekh	5	Yes
Mr. Nadir B. Godrej	5	Yes
Mr. M. M. Murugappan	5	Yes
Mr. A. K. Nanda	7	Yes
Mr. Narayanan Vaghul	6	Yes
Dr. A. S. Ganguly	6	Yes
Mr. R. K. Kulkarni	6	Yes
Mr. Anupam Puri	5	Yes
Dr. Vishakha N. Desai*	3	Yes
Mr. Vikram Singh Mehta*	5	Yes
Mrs. D. Vijayalakshmi^	4	N.A.

@ Relinquished his Office as Chairman and Director of the Company at the conclusion of the 66th AGM of the Company held on 8th August 2012.

* Appointed with effect from 30th May 2012.

^ Appointed as an Additional Director with effect from 25th October 2012 and resigned with effect from 5th June 2013.

D. Meetings of Independent Directors

The Independent Directors of the Company meet before the Board Meeting to examine various Corporate Governance issues, functioning of the Company and of the Group and other issues without the presence of Chairman & Managing Director or Executive Director & Group Chief Financial Officer or any other Management Personnel. These Meetings are conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the Company and put forth their views and recommend their suggestions to the Board.

E. Directors seeking Re-appointment/Appointment

Mr. Anand G. Mahindra, Mr. Nadir B. Godrej, Mr. Anupam Puri and Dr. A. S. Ganguly retire by rotation and are eligible for re-appointment at the forthcoming AGM of the Company. Mr. Anand G. Mahindra, Mr. Nadir B. Godrej and Mr. Anupam Puri have offered themselves for re-appointment, whereas Dr. A. S. Ganguly has expressed his desire not to seek re-appointment.

Mr. Anand G. Mahindra

Career Graph

Mr. Anand G. Mahindra, Chairman & Managing Director of Mahindra & Mahindra Limited graduated with Honours (Magna cum laude) from Harvard College, Cambridge, Massachusetts, in 1977. In 1981 he secured an MBA degree from the Harvard Business School, Boston, Massachusetts. He returned to India that year and joined Mahindra Ugine Steel Company Limited ("MUSCO"), the country's foremost producer of specialty steels, as an Executive Assistant to the Finance Director. In 1989 he was appointed President and Deputy Managing Director of MUSCO.

During his stint at MUSCO, he initiated the Mahindra Group's diversification into the new business areas of real estate development and hospitality management.

In the summer of 1991, he was appointed as Deputy Managing Director of Mahindra & Mahindra Limited, the country's dominant producer of off-road vehicles and agricultural tractors. He initiated a comprehensive change programme in Mahindra & Mahindra Limited to make the company an efficient and aggressive competitor in the new liberalized economic environment in India.

In April 1997, he was appointed as Managing Director of Mahindra & Mahindra Limited and in January 2001, given the additional responsibility of Vice-Chairman. He was appointed

as Chairman and designated as Chairman & Managing Director with effect from the conclusion of the 66th AGM of the Company held on 8th August 2012.

During Mr. Mahindra's tenure, the Mahindra Group has also grown inorganically, seizing opportunities across the globe. Recent acquisitions include Ssangyong Motor Company, Mahindra Reva Electric Vehicles Private Limited, Satyam Computer Services Limited, Aerostaff Australia Pty. Limited and Gippsland Aeronautics among others.

Industry Participant

Mr. Mahindra is the co-founder of the Harvard Business School Association of India, an association dedicated to the promotion of professional management in India.

Mr. Mahindra is currently the Chairman & Managing Director of Mahindra & Mahindra Limited, Vice-Chairman of Mahindra Ugine Steel Company Limited, Chairman of Tech Mahindra Limited, Mahindra Trucks and Buses Limited, Mahindra First Choice Wheels Limited, Mahindra Two Wheelers Limited and Director of Mahindra Holdings Limited, Tech Mahindra Foundation, Prudential Management & Services Private Limited, Araku Originals Limited, Naandi Community Water Services Private Limited, Avion Aerosols Private Limited, M.A.R.K. Hotels Private Limited and Prana Holdings Inc.

He was a co-promoter of Kotak Mahindra Finance Limited, which in 2003 was converted into a Bank. Kotak Mahindra is one of the foremost private sector banks today.

As a leading industry figure, he has served as President of the Confederation of Indian Industry in 2003-04 and has also been President of the Automotive Research Association of India (ARAI). He has also served on the Boards of the National Stock Exchange of India Limited and the National Council of Applied Economic Research and as a Member of the Council of Scientific & Industrial Research.

Recognition

Mr. Mahindra continues to receive several honours, a few of which have been the 'Knight of the Order of Merit' conferred on him by the President of the French Republic, Rajiv Gandhi Award 2004 for outstanding contribution in the business field, 2005 Leadership Award from the American India Foundation for his and the Mahindra Group's commitment to corporate social responsibility, CNBC Asia Business Leader Award for the Year 2006, The Most Inspiring Corporate Leader of the Year 2007 from NDTV Profit, Business

Man of the Year 2007 from Business India, Harvard Business School Alumni Achievement Award 2008, National Statesman for Excellence in Business Practices – Qimpro Platinum Standard 2008 Award by Qimpro Foundation, CNBC TV18 Outstanding Business Leader of the Year 2009, Business Leader of the Year 2009 by The Economic Times, Ernst & Young Entrepreneur of the Year India Award for 2009, Indian of the Year Award 2009 by NDTV, IMC Juran Quality Medal 2010 by IMC Ramkrishna Bajaj National Quality Award Trust, featured in Asia's 25 most powerful business people of 2011 by Fortune Magazine, Lloyds Banking Group Business Leader of the Year Award at The Asian Awards 2011, JRD Tata Corporate Leadership Award 2011 from the All India Management Association, Global Leadership Award June 2012 by the US-India Business Council, Business Courage Award 2012 by Asia Business Leadership Forum, Best Transformational Leader Award 2012 by the Asian Centre For Corporate Governance & Sustainability and Business Leader of the Year 2012 by NDTV.

Mr. Mahindra is a Member of the following Board Committees:

Sr. No.	Name of the Company	Name of the Committee	Position held
1.	Mahindra & Mahindra Limited	Strategic Investment Committee	Chairman
		Loans & Investment Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
		Share Transfer and Shareholders/Investors Grievance Committee	Member
		Research & Development Committee	Member
2.	Mahindra Two Wheelers Limited	Remuneration Committee	Member
3.	Mahindra Trucks and Buses Limited	Remuneration Committee	Chairman
4.	Mahindra Holdings Limited	Loans & Investment Committee	Member

Mr. Anand G. Mahindra holds 6,75,004 Ordinary (Equity) Shares in the Company.

Mr. Nadir B. Godrej

Mr. Nadir B. Godrej joined the Board in 1992. He holds a Master of Science degree in Chemical Engineering from Stanford University and an MBA from Harvard Business School. He has been a Director of several Godrej companies since 1977 and has developed the animal feed, agricultural

inputs and chemicals businesses of Godrej Industries and other associated companies, and has been very active in research.

Besides his professional assignments, Mr. Godrej was the former President of Oil Technologists' Association of India, Indo-French Technical Association and the Compound Livestock Feed Manufacturers Association of India.

He is currently the Managing Director of Godrej Industries Limited, Chairman of Godrej Agrovet Limited, Godrej Tyson Foods Limited and Director of Godrej & Boyce Manufacturing Company Limited, Godrej Properties Limited, Godrej Consumer Products Limited, Mahindra & Mahindra Limited, Tata Teleservices (Maharashtra) Limited, Isprava Technologies Limited, The Indian Hotels Company Limited, Godrej International Limited, Godrej Global Mid East FZE, ACI Godrej Agrovet Private Limited; Bangladesh, Keyline Brands Limited, Rapidol (Pty) Limited, Godrej Nigeria Limited and Chairman of Poultry Processors' Association of India.

Mr. Godrej is a Member of the following Board Committees:

Sr. No.	Name of the Company	Name of Committee	Position held
1.	Godrej Consumer Products Limited	Shareholders Committee	Chairman
2.	Mahindra & Mahindra Limited	Audit Committee	Member
		Strategic Investment Committee	Member
		Governance, Remuneration and Nomination Committee	Member
		Research & Development Committee	Member

Mr. Nadir B. Godrej holds 3,25,591 Ordinary (Equity) Shares in the Company.

Mr. Anupam Puri

Mr. Anupam Puri holds an M.Phil. in Economics from Nuffield College, Oxford University, 1969; an M.A. in Economics from Balliol College, Oxford University, 1967; and a B.A. in Economics from Delhi University, India, 1965. Mr. Puri was a Management Consultant with McKinsey & Company from 1970 to 2000. He has worked globally with corporate clients in several industries on strategy and organisational issues and has also served several Governments and multilateral institutions on public policy. Mr. Anupam Puri spearheaded the development of McKinsey's India practice, oversaw the

Asian and Latin American offices and was an elected Member of the Board. He is currently a Member of the Board of Dr. Reddy's Laboratories Limited, Mahindra & Mahindra Limited, Tech Mahindra Limited and Mumbai Mantra Media Limited as well as on the Advisory Boards of Corsair Capital and Spencer Stuart, India.

Mr. Puri is a Member of the following Board Committees:

Sr. No.	Name of the Company	Name of Committee	Position held
1.	Mahindra & Mahindra Limited	Strategic Investment Committee	Member
2.	Dr. Reddy's Laboratories Limited	Governance and Compensation Committee	Chairman
3.	Tech Mahindra Limited	Audit Committee Compensation Committee	Member Member
4.	Mumbai Mantra Media Limited	Audit Committee	Member

Mr. Anupam Puri does not hold any Ordinary (Equity) Shares in the Company.

F. Codes of Conduct

The Board has laid down two separate Codes of Conduct ("Codes"), one for the Board Members and the other for the Senior Management and Employees of the Company. These Codes have been posted on the Company's website <http://www.mahindra.com>. All the Board Members and Senior Management Personnel have affirmed compliance with these Codes. A declaration signed by the Chairman & Managing Director to this effect is enclosed at the end of this Report.

G. CEO/CFO Certification

As required under Clause 49 V of the Listing Agreement with the Stock Exchanges, the Chairman & Managing Director and the Executive Director & Group Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31st March 2013.

II. Remuneration to Directors

A. Remuneration Policy

While deciding on the remuneration for Directors, the Board and the Governance, Remuneration and Nomination Committee ("Committee") takes into consideration the performance of your Company, the current trends in the industry, the qualification

of the appointee(s), their experience, past performance and other relevant factors. The Board/ Committee regularly keeps track of the market trends in terms of compensation levels and practices in relevant industries. This information is used to review the Company's remuneration policy(ies) from time to time.

B. Remuneration to Non-Executive Directors for the year ended 31st March 2013

The eligible Non-Executive Directors are paid commission upto a maximum of 1% of the net profits of the Company as specifically computed for this purpose.

During the year under review, the Non-Executive Directors were paid a commission of Rs. 172.99 lakhs (provided in the accounts for the year ended 31st March 2012), distributed amongst the Directors as under:

(Rs. in Lakhs)

Directors	Commission for the year ended 31 st March 2012, paid during the year under review
Mr. Keshub Mahindra@	56.00
Mr. Deepak S. Parekh	14.00
Mr. Nadir B. Godrej	14.00
Mr. M. M. Murugappan	14.00
Mr. A. K. Nanda	14.00
Mr. Narayanan Vaghul	14.00
Dr. A. S. Ganguly	14.00
Mr. R. K. Kulkarni	14.00*
Mr. Anupam Puri	14.00
Mr. Arun Kanti Dasgupta^ (Nominee of LIC)	4.99#

@ Relinquished his Office as Chairman and Director of the Company at the conclusion of the 66th AGM of the Company held on 8th August 2012.

* The commission was paid to Khaitan & Co., in which Mr. R.K. Kulkarni is a partner.

The commission was paid to LIC.

^ Resigned with effect from 9th August 2011.

A commission of Rs. 661.59 lakhs has been provided as payable to the Non-Executive Directors in the accounts for the year under review. Non-Executive Directors are also paid sitting fees of Rs. 20,000 for every Meeting of the Board or Committee attended other than the Share Transfer and Shareholders/ Investors Grievance Committee. The sitting fees for Share Transfer and Shareholders/Investors Grievance Committee is Rs. 10,000.

The sitting fees paid to the Non-Executive Directors and the commission payable to them for the year ended 31st March 2013 along with their respective Shareholdings in the Company are as under:

Directors	Sitting Fees paid for the Board and Committee Meetings held during the year ended 31 st March 2013 (Rs. in Lakhs)	Commission for the year ended 31 st March 2013, provided as payable in the accounts of the Company for year under review ⁵ (Rs. in Lakhs)	Number of Ordinary (Equity) Shares held as on 31 st March 2013
Mr. Keshub Mahindra [^]	2.60	519.95	N.A.
Mr. Deepak S. Parekh	2.60	14.00	1,12,180
Mr. Nadir B. Godrej	4.40	14.00	3,25,591
Mr. M. M. Murugappan	2.60	14.00	1,00,000
Mr. A. K. Nanda	4.00	14.00	2,13,058
Mr. Narayanan Vaghul	2.40	14.00	1,00,000
Dr. A. S. Ganguly	2.20	14.00	1,00,000
Mr. R. K. Kulkarni	5.20 [*]	14.00 [*]	82,576
Mr. Anupam Puri	1.20	14.00	Nil
Mrs. D. Vijayalakshmi (Nominee of LIC) ⁺	0.80 ^{**}	6.10 ^{**}	Nil
Dr. Vishakha N. Desai [#]	0.80	11.77	Nil
Mr. Vikram Singh Mehta [#]	2.40	11.77	Nil

[^] Relinquished his Office as Chairman and Director of the Company at the conclusion of the 66th AGM of the Company held on 8th August 2012.

^{*} Sitting fees/commission were paid/payable to Khaitan & Co., in which Mr. R. K. Kulkarni is a partner.

[#] Appointed with effect from 30th May 2012.

⁺ Appointed as an Additional Director of the Company with effect from 25th October 2012 and resigned with effect from 5th June 2013.

^{**} Sitting fees/commission were paid/payable to LIC.

⁵ Payable in Financial Year 2013-14.

Details of the Options granted to the Non-Executive Directors including the vesting and exercise period, exercise price and discount are given in Annexure I to the Directors' Report.

C. Remuneration paid/payable to Managing Director and Executive Director (Whole-time Directors) for the year ended 31st March 2013

Remuneration to Whole-time Directors is fixed by the Governance, Remuneration and Nomination Committee which is subsequently approved by the Board of Directors and Shareholders at a General Meeting.

Following is the remuneration paid/payable to the Whole-time Directors during the year ended 31st March 2013:

Directors	(Rs. in Lakhs)					Contract Period	Number of Options granted in***				
	Salary [*]	Comm- ission	Company's Contribu- tion to Funds**	Perquisites and Allow- ances	Total		June 2005	Septem- ber 2006	July 2007	August 2008	January 2011
Mr. Anand G. Mahindra (Chairman & Managing Director)	110.26	218.00	29.43	108.36	466.05	4 th April 2012 to 3 rd April 2017	Nil	Nil	Nil	Nil	Nil
Mr. Bharat Doshi (Executive Director & Group Chief Financial Officer)	105.16	156.36	28.15	27.66	317.33	28 th August 2012 to 31 st March 2015	10,000	11,345	8,362	29,039	71,080

^{*} Includes Privilege Leave Encashment.

^{**} Aggregate of the Company's contributions to Superannuation Fund and Provident Fund.

^{***} Details of the Options granted including the vesting and exercise period, exercise price and discount are given in Annexure I to the Directors' Report.

Notes:

a. Notice period applicable to each of the Whole-time Directors – six months.

b. Employee Stock Options and commission are the only components of remuneration that are performance-linked. All other components are fixed.

III. Risk Management

Your Company has a well-defined risk management framework in place. Further, your Company has established procedures to periodically place before the Board, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate these risks.

IV. Committees of the Board

A. Audit Committee

This Committee comprises solely of Independent Directors viz. Mr. Deepak S. Parekh (Chairman of the Committee), Mr. Nadir B. Godrej, Mr. M. M. Murugappan and Mr. R. K. Kulkarni. All the Members of the Committee possess strong accounting and financial management knowledge. The Company Secretary is the Secretary to the Committee.

The terms of reference of this Committee are very wide. Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. It is authorised to select and establish accounting policies, review Reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters. The Committee is empowered to, inter alia, review the remuneration payable to the Statutory Auditors and to recommend a change in the Auditors, if felt necessary. It reviews Financial Statements and investments of unlisted subsidiary companies, Management Discussion & Analysis of financial condition and results of operations, material individual transactions with related parties not in normal course of business or which are not on an arm's length basis. Generally all items listed in Clause 49 II (D) of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 II (C) and reviews all the information as prescribed in Clause 49 II (E). The Meetings of the Audit Committee are also attended by the Chairman & Managing Director, the Executive Director & Group Chief Financial Officer, the Group CIO, Executive Vice President – Group M&A, Finance & Accounts, the Executive Vice President – M&A and Secretarial, the Executive Vice President – Corporate Finance & Investor Relations, the Statutory Auditors, the Chief Internal Auditor, Controller of Accounts, Senior General Manager – Accounts and the Company Secretary. The Chairman of the Audit Committee,

Mr. Deepak S. Parekh was present at the 66th AGM of the Company held on 8th August 2012 to address the Shareholders' queries pertaining to Annual Accounts of the Company.

The Committee met five times during the year under review. The Committee Meetings were held on the following dates – 29th May 2012, 7th August 2012, 25th October 2012, 7th February 2013 and 19th March 2013. The gap between two Meetings did not exceed four months. The attendance at the Meetings was as under:

Members	Number of Meetings attended
Mr. Deepak S. Parekh (Chairman)	4
Mr. Nadir B. Godrej	5
Mr. M. M. Murugappan	4
Mr. R. K. Kulkarni	5

B. Governance, Remuneration and Nomination Committee

The Governance, Remuneration and Nomination Committee has been vested with the authority to, inter alia, recommend nominations for Board Membership, develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection to the Board with respect to the competencies, qualifications, experience, track record and integrity and establish Director retirement policies and appropriate succession plans and determine overall compensation policies of the Company.

The Committee also administers the Company's ESOP Schemes formulated from time to time including "Mahindra & Mahindra Limited Employees' Stock Option Scheme", "Mahindra & Mahindra Limited Employees Stock Option Scheme-2010" and take appropriate decisions in terms of the concerned Scheme(s).

The scope of the Committee also includes review of market practices and decide on remuneration packages applicable to the Chairman & Managing Director, the Executive Director(s), Presidents, etc., lay down performance parameters for the Chairman & Managing Director, the Executive Director(s), Presidents, etc. and review the same.

The Committee currently comprises of Independent Directors which includes its Chairman.

Mr. Narayanan Vaghul is the Chairman of the Committee. Mr. Nadir B. Godrej, Mr. M. M. Murugappan and Mr. R. K. Kulkarni are the other Members of the Committee. Mr. Anand G. Mahindra is a permanent invitee to the Committee.

The Committee met six times during the year under review. The attendance at the Meetings was as under:

Members	Number of Meetings attended
Mr. Narayanan Vaghul (Chairman)	6
Mr. Keshub Mahindra*	3
Mr. Nadir B. Godrej	6
Mr. M. M. Murugappan	4
Mr. R. K. Kulkarni	6

* Relinquished his Office as Chairman and Director of the Company at the conclusion of the 66th AGM of the Company held on 8th August 2012.

C. Share Transfer and Shareholders/Investors Grievance Committee

The Company's Share Transfer and Shareholders/Investors Grievance Committee currently functions under the Chairmanship of Mr. A. K. Nanda, Non-Independent Non-Executive Director. Mr. Anand G. Mahindra, Mr. Bharat Doshi and Mr. R. K. Kulkarni are also Members of the Committee. Mr. Narayan Shankar, Company Secretary is the Compliance Officer of the Company.

The Committee meets, as and when required to, inter alia, deal with matters relating to transfer of shares and monitor redressal of complaints from Shareholders relating to transfers, non-receipt of Annual Reports, non-receipt of dividends declared, etc. With a view to expedite the process of share transfers, necessary authority has been delegated to approve the transfers of not more than 10,000 Ordinary (Equity) Shares per transfer, provided the transferee does not hold 2,00,000 or more Ordinary (Equity) Shares in your Company.

The Committee met two times during the year. Both the Meetings were well attended by its Members. During the year, 32 complaints were received from the Shareholders, all of which have been attended to/resolved till date. As of date, there are no pending share transfers pertaining to the year under review.

D. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee is constituted by the Board with powers, inter alia, to make donations/contributions to any Charitable and/or other Institutions for the Company's Corporate Social Responsibility initiatives.

Pursuant to Clause 55 of the Listing Agreement with the Stock Exchanges, the scope of functions of the Committee has been enlarged, inter alia, to formulate and recommend to the Board for its approval and implementation, the Business Responsibility ("BR") Policy(ies) of the Company, undertake periodical assessment of the Company's BR performance, review the draft Business Responsibility Report and recommend the same to the Board for its approval and inclusion in the Annual Report of the Company.

Mr. Anand G. Mahindra is the Chairman of the Committee. Mr. Bharat Doshi, Mr. A. K. Nanda, Mr. R. K. Kulkarni and Dr. Vishakha N. Desai are the other Members of the Committee. The Committee met three times during the year. All the Meetings were well attended by the Members.

E. Research & Development Committee (a voluntary initiative of the Company)

The Research & Development (R&D) Committee, which was constituted by the Board in 1998, provides direction on the R&D mission and strategy and key R&D and technology issues. The Committee also reviews and makes recommendations on the skills and competencies required and the structure and the process needed to ensure that the R&D initiatives result in products that are in keeping with the business needs. Dr. A. S. Ganguly is the Chairman of the Committee. Mr. Anand G. Mahindra, Mr. Bharat Doshi, Mr. Nadir B. Godrej and Mr. M. M. Murugappan are the other Members of the Committee.

F. Strategic Investment Committee (a voluntary initiative of the Company)

The Strategic Investment Committee is constituted by the Board with powers, inter alia, to take up for evaluation and scrutinise significant investments/funding including but not limited to business acquisitions, reviewing and monitoring existing investments in Subsidiaries, Joint Ventures and other Group companies, overseeing and reviewing performance of various subsidiaries and make necessary recommendations to the Board from time to time including disinvestments. Mr. Anand G. Mahindra is the Chairman of the Committee. Mr. Bharat Doshi, Mr. Deepak S. Parekh, Mr. Nadir B. Godrej, Dr. A. S. Ganguly, Mr. Vikram Singh Mehta and Mr. Anupam Puri are the other Members of the Committee.

G. Loans & Investment Committee (a voluntary initiative of the Company)

The Loans & Investment Committee approves of making of loans and investment, disinvestment, borrowing moneys and related aspects of fund management in accordance with the authority granted and parameters prescribed by the Board. Mr. Anand G. Mahindra is the Chairman of the Committee. Mr. Bharat Doshi, Mr. A. K. Nanda, Mr. R. K. Kulkarni and Mr. Vikram Singh Mehta are the other Members of the Committee.

V. Subsidiary Companies

Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company did not have any "material non-listed Indian subsidiary" during the year under review. The subsidiaries of the Company function independently, with an adequately empowered Board of Directors and sufficient resources. For more effective governance, the Minutes of the Board Meetings of the subsidiaries of the Company are placed before the Board of Directors of the Company for their review.

VI. Disclosures

A. Disclosure of transactions with Related Parties

During the Financial Year 2012-13, there were no materially significant transactions entered into between the Company and its Promoters, Directors or the Management, Subsidiaries or Relatives, etc. that may have potential conflict with the interests of the Company at large. Further, details of related party transactions are presented in Note Number "41" to Annual Accounts in the Annual Report.

B. Disclosure of Accounting Treatment in preparation of Financial Statements

Your Company has followed the Accounting Standards laid down by the Companies (Accounting Standards) Rules, 2006, as amended from time to time, in preparation of its financial statements.

C. Code for Prevention of Insider Trading Practices

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. The Code lays down Guidelines, which advise them on procedures to be followed and

disclosures to be made, while dealing in the shares of the Company and cautions them of the consequences of violations.

VII. Shareholder Information

1. 67th Annual General Meeting

Date : 13th August 2013

Time : 3:30 p.m.

Venue : Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg
(New Marine Lines), Mumbai - 400 020.

2. Date of Book Closure

Book Closure for Dividend will be from 20th July 2013 to 13th August 2013, both days inclusive.

3. Date of Dividend Payment

The Dividend would be paid/despached on and after 14th August 2013.

4. Financial Year of the Company

The Financial Year covers the period from 1st April to 31st March.

Financial Reporting for:

Quarter ending

30th June 2013 – Second week of August 2013

Half-year ending

30th September 2013 – Second week of November 2013

Quarter ending

31st December 2013 – Second week of February 2014

Year ending

31st March 2014 – End May 2014

Note : The above dates are indicative.

5. Registered Office

Mahindra & Mahindra Limited

Gateway Building, Apollo Bunder, Mumbai - 400 001.

6. Listing of Ordinary (Equity) Shares and Debentures on Stock Exchanges

Your Company's Shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Global Depository Receipts (GDRs) of your Company are listed on the Luxembourg Stock Exchange and are also admitted for trading on International Order Book (IOB) of the London Stock Exchange. The requisite listing fees have been paid in full to all these Stock Exchanges.

7A. Stock Codes

1. BSE : 500520

2. NSE : M&M

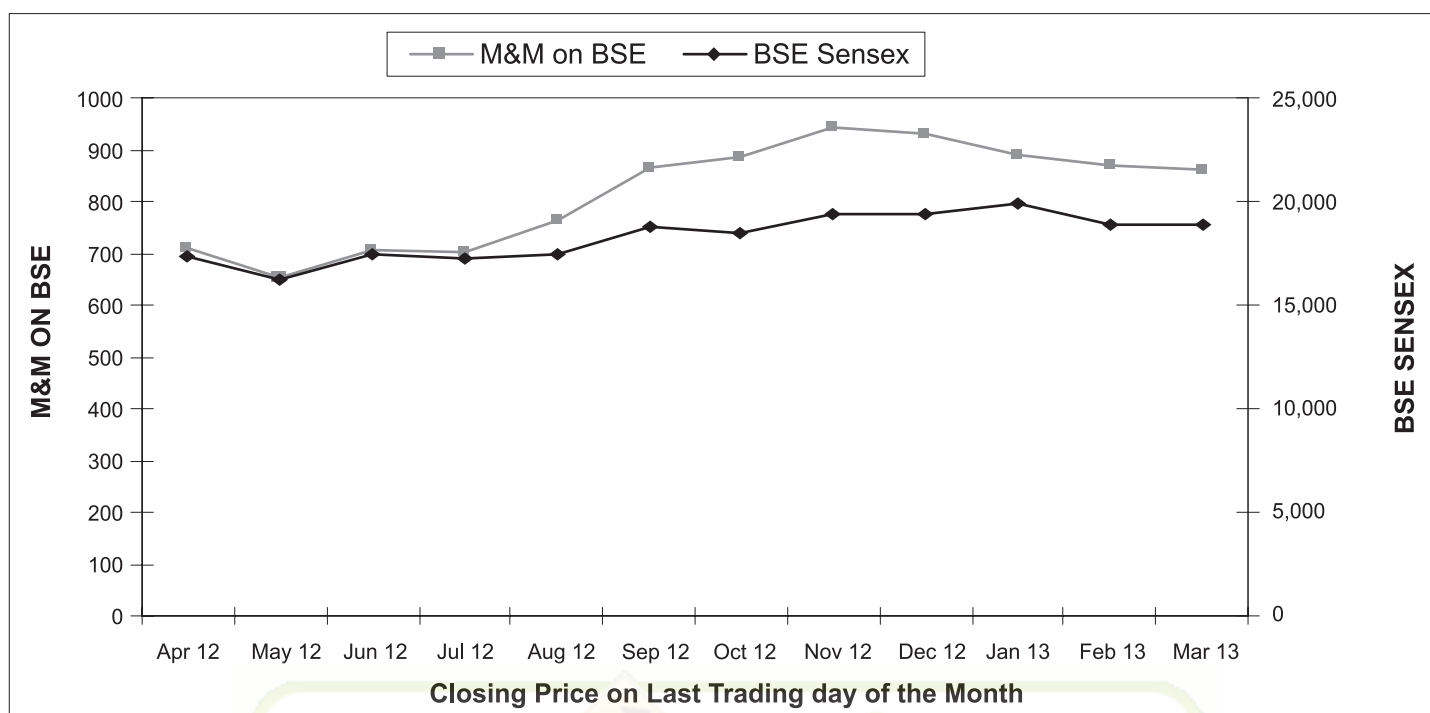
3. Demat International
Securities Identification
Number (ISIN) for
Ordinary (Equity) Shares: INE101A01026

4. GDRs, Luxembourg
Stock Exchange (ISIN) : USY541641194

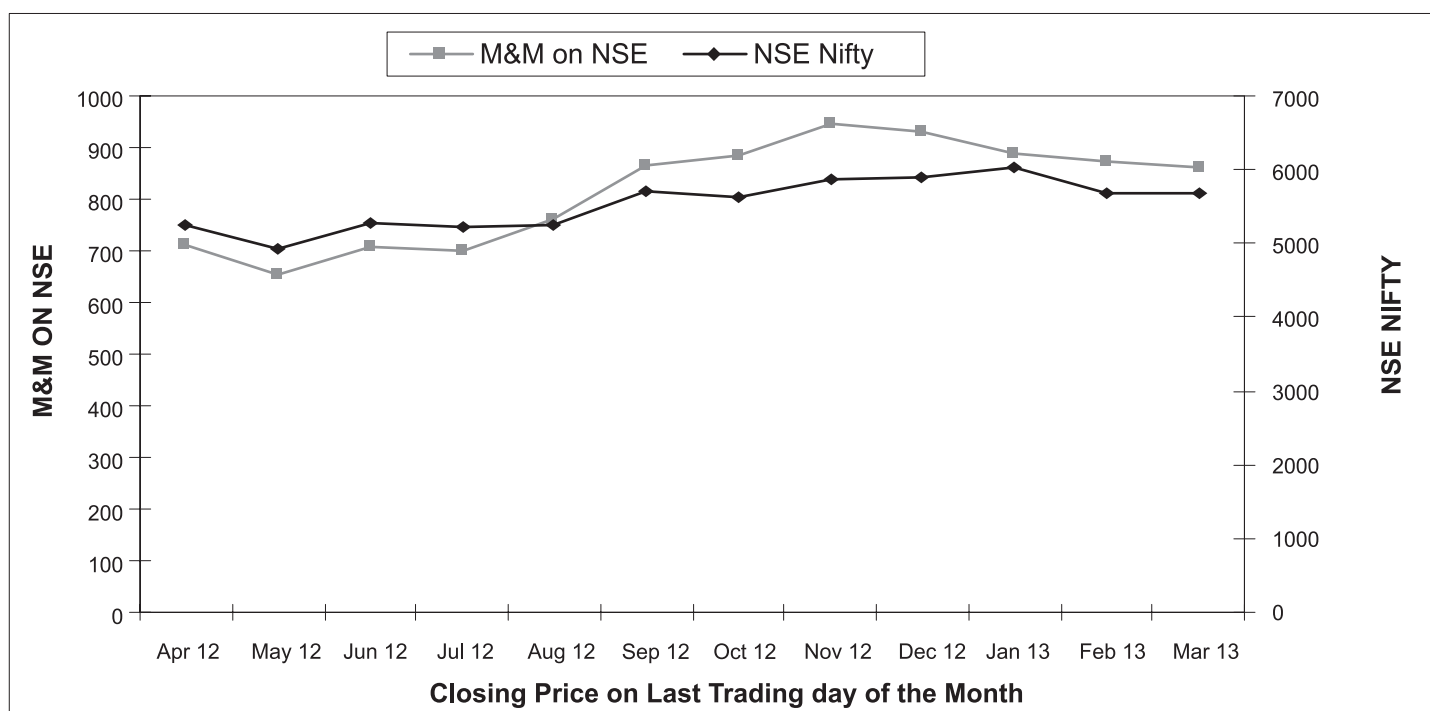
7B. Corporate Identity Number : L65990MH1945PLC004558

8. Stock Performance

The performance of the Company's shares relative to the BSE Sensitive Index is given in the chart below:



The performance of the Company's shares relative to the NSE S&P CNX Nifty Index is given in the chart below:



9. Stock Price Data

Month	Equity Shares				GDRs	
	BSE Limited		National Stock Exchange of India Limited		Luxembourg Stock Exchange	
	HIGH	LOW	HIGH	LOW	HIGH	LOW
	Rs.	Rs.	Rs.	Rs.	US\$	US\$
April 2012	734.00	679.05	733.80	678.60	13.97	13.30
May 2012	721.00	621.75	720.95	621.10	13.50	11.51
June 2012	712.75	636.20	712.80	636.25	12.72	11.63
July 2012	738.50	675.10	738.95	675.10	13.25	12.16
August 2012	790.00	681.55	791.50	680.75	14.14	12.30
September 2012	871.50	741.20	872.50	742.35	16.36	13.50
October 2012	899.10	819.00	899.70	701.00	16.76	15.29
November 2012	960.95	880.00	960.65	879.50	17.41	16.22
December 2012	973.35	913.75	976.00	913.90	17.75	16.88
January 2013	974.80	852.40	974.80	851.00	17.62	16.33
February 2013	909.95	849.80	910.85	850.00	16.83	15.99
March 2013	932.00	840.55	932.30	840.10	17.16	15.86

10. Registrar and Transfer Agent

Sharepro Services (India) Private Limited
Unit: Mahindra & Mahindra Limited
13AB, Samhita Warehousing Complex, 2nd Floor,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai – 400 072.
Tel. No. : +91-22-67720400/300
Fax No. : +91-22-28591568
Email : sharepro@shareproservices.com

The Registrar and Transfer Agents also have an office at:

Sharepro Services (India) Private Limited
912, Raheja Centre, Free Press Journal Road,
Nariman Point, Mumbai - 400 021.
Tel. No. : +91-22-22825163
Fax No. : +91-22-22825484

11. Share Transfer System

Trading in Ordinary (Equity) Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form.

Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expedite the process of share transfers, Mr. Bharat Doshi, Executive Director & Group Chief Financial Officer or Mr. S. Durgashankar, Executive Vice President – M&A and Secretarial or Mr. Narayan Shankar, Company Secretary of the Company have been severally authorised to approve the transfers of not more than 10,000 Ordinary (Equity) Shares per transfer, provided the transferee does not hold 2,00,000 or more Ordinary (Equity) Shares in the Company. The Share Transfer and Shareholders/Investors Grievance Committee meets as and when required to consider

the other transfer proposals and attend to Shareholder grievances.

12. Distribution of Shareholding as on 31st March 2013

Number of Shares held	Number of Shareholders	Number of Shares held	% of Share-holding
1 to 1000	1,68,720	1,69,81,313	2.77
1001 to 2000	4,534	65,65,001	1.07
2001 to 10000	3,874	1,57,34,739	2.56
10001 to 20000	454	62,87,366	1.02
20001 and above	833	56,84,12,337	92.58
Total	1,78,415	61,39,80,756	100.00

13. Dematerialisation of Shares

98.90% of the paid-up Equity Share Capital is held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31st March 2013. The market lot of the Share of your Company is one Share, as the trading in the Equity Share of your Company is permitted only in dematerialised form. Non-Promoters' holding is around 75% and the stock is highly liquid.

14. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion date and likely impact on equity

3,29,49,467 GDRs were outstanding as on 31st March 2013. Since the underlying Ordinary (Equity) Shares represented by GDRs have been allotted in full, the outstanding GDRs have no impact on the Equity of the Company. There are no other convertible instruments outstanding as on 31st March 2013.

15. Plant Locations

Your Company's manufacturing facilities are located at Kandivali, Nashik, Igatpuri, Nagpur, Zaheerabad, Jaipur, Rudrapur, Haridwar, Chakan and Mohali.

16. Address for correspondence

Shareholders may correspond with the Registrar and Transfer Agents at:

Sharepro Services (India) Private Limited
Unit : Mahindra & Mahindra Limited
13AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai – 400 072.
Tel. No. : +91-22-67720400/300
Fax No. : +91-22-28591568
Email : sharepro@shareproservices.com

for all matters relating to transfer/dematerialisation of shares, payment of dividend and any other query relating to Equity Shares of your Company.

The Registrar and Transfer Agents also have an office at:

Sharepro Services (India) Private Limited
912, Raheja Centre,
Free Press Journal Road,
Nariman Point,
Mumbai – 400 021
Tel. No. : +91-22-22825163
Fax No. : +91-22-22825484

Your Company has also designated investors@mahindra.com as an exclusive email ID for Investors for the purpose of registering complaints and the same has been displayed on the Company's website.

Shareholders would have to correspond with the respective Depository Participants for Shares held in dematerialised form for transfer/transmission of Shares, change of Address, change in Bank details, etc.

For all investor related matters, the Company Secretary & Compliance Officer can also be contacted at:

Mahindra Towers,
5th Floor, Dr. G. M. Bhosale Marg,
Worli, Mumbai - 400 018.
Tel. No. : +91-22-24975074
Fax No. : +91-22-24900833
Email : investors@mahindra.com

Your Company can also be visited at its website:
<http://www.mahindra.com>

VIII. Other Disclosures

1. Details of General Meetings and Special Resolutions passed

Annual General Meetings held during the past 3 years and the Special Resolutions passed therein:

Year	Date	Time	Special Resolutions passed
2010	28 th July 2010	3.00 p.m.	<ol style="list-style-type: none"> 1. Payment of Commission upto one per cent of the net profits of the Company to the Directors who are neither in the whole-time employment of the Company nor the Managing Director, Executive Director(s) and such of remainder as may not desire to participate for a period of five years with effect from 1st November 2010. 2. Introduction and implementation of the Mahindra & Mahindra Limited Employees Stock Option Scheme-2010 and authorising the Board to offer, issue and allot equity shares and/or equity linked instruments including Options/ Warrants/ Restricted Stock Units not exceeding 3% of the issued Equity Share Capital of the Company as on 31st March 2010. 3. Extend the benefits of the Mahindra & Mahindra Limited Employees Stock Option Scheme-2010 to Employees/ Directors of subsidiary company(ies).
2011	8 th August 2011	3.30 p.m.	Revision in the scale of salary payable to Mr. Anand G. Mahindra as the Managing Director of the Company designated as Vice-Chairman and Managing Director and revision in the scale of salary and basic salary payable to Mr. Bharat Doshi as the Executive Director designated as Executive Director & Group Chief Financial Officer with effect from 1 st August 2010 for the remainder of their respective terms of Office.
2012	8 th August 2012	3.30 p.m.	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Anand G. Mahindra as the Managing Director of the Company designated as Vice-Chairman & Managing Director for a period of 5 years with effect from 4th April 2012 to 3rd April 2017. 2. Re-appointment of Mr. Bharat Doshi as the Executive Director of the Company designated as Executive Director & Group Chief Financial Officer with effect from 28th August 2012 to 31st March 2015. 3. Amend the Articles of Association of the Company to provide for Video Conference facility and/or other permissible electronic or virtual facilities for communication to enable the Shareholders of the Company to participate in General Meetings or other Meetings of the Company, Directors' participation in the Meetings of the Board and Committees thereof through Video Conference facility and/or other permissible electronic or virtual facilities for communication, provided further that a Director participating in a Meeting through Video Conference facility and/or any other permissible electronic mode of communication shall be counted for the purpose of quorum and to serve documents on any Member by any electronic mode of communication in such manner as may be permitted by any law.

The above Meetings were held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020.

No Extraordinary General Meeting was held during the past 3 years. No Special Resolution requiring a Postal Ballot was passed last year or is being proposed at the ensuing Annual General Meeting.

2. Details of non-compliance etc.

Your Company has complied with all the requirements of regulatory authorities. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter related to the capital markets.

3. Means of Communication

The quarterly, half-yearly and yearly results are published in Business Standard and Sakal which are national and local dailies respectively. These are not sent individually to the Shareholders.

The Company's results and official news releases are displayed on the Company's website <http://www.mahindra.com>.

Presentations are also made to international and national institutional investors and analysts which are also put up on the website of the Company.

Your Company has been regularly posting information relating to its financial results and other communications on Corporate Filing and Dissemination System viz. www.corpfiling.co.in, the common platform launched by BSE and NSE for electronic filing by listed companies.

4. Management Discussion and Analysis Report

Management Discussion and Analysis Report forms part of this Annual Report.

5. Compliance with Mandatory requirements

Your Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

6. Compliance with non-mandatory requirements

a. Remuneration Committee

Your Company has set up the Governance, Remuneration and Nomination Committee (earlier known as Remuneration/Compensation Committee) long before Clause 49 of the Listing Agreement became applicable.

b. Audit Qualifications

During the year under review, there is no audit qualification in your Company's standalone financial

statements. Your Company continues to adopt best practices to ensure a regime of unqualified financial statements.

c. Whistle Blower Policy

Your Company promotes ethical behaviour in all its business activities and has put in place a mechanism wherein the Employees are free to report illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity to the Chairman of the Audit Committee of the Company or Chairman of the Company or Corporate Governance Cell. The Whistle Blower Policy has been appropriately communicated within the Company. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discrimination. No personnel has been denied access to the Audit Committee.

Your Company has not adopted the other non-mandatory requirements as specified in Annexure I D of Clause 49.

7. Compliance with the Corporate Governance – Voluntary Guidelines, 2009

In December 2009, the Government of India, Ministry of Corporate Affairs ("MCA") had issued Corporate Governance Voluntary Guidelines, 2009 ("the Guidelines"). MCA has clarified that the Guidelines were prepared and disseminated for consideration and adoption by Corporates and may be voluntarily adopted by public companies with the objective of enhancing not only the economic value of the enterprise but also the value for every stakeholder who has contributed to the success of the enterprise and set a global benchmark for good Corporate Governance.

Your Company has been a strong believer in good Corporate Governance and has been adopting the best practices that have evolved over the last two decades.

Your Company is in substantial compliance with the Guidelines and it will always be the Company's endeavour to attain the best practices in Corporate Governance.

Mumbai, 10th June 2013.

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To

The Members of Mahindra & Mahindra Limited

I, Anand G. Mahindra, Chairman & Managing Director of Mahindra & Mahindra Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2013.

Anand G. Mahindra
Chairman & Managing Director

Mumbai, 30th May 2013

CERTIFICATE

To

The Members of

Mahindra & Mahindra Limited



We have examined the compliance of conditions of Corporate Governance by Mahindra & Mahindra Limited, for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117364W)

Shyamak R Tata
Partner
(Membership No. 38320)

Mumbai, 10th June 2013



BUSINESS RESPONSIBILITY REPORT



BUSINESS RESPONSIBILITY REPORT for the year 2012-13

MAHINDRA & MAHINDRA LIMITED

(Pursuant to Clause 55 of the Listing Agreement)

Section A: General Information about the Company

1. Corporate Identity Number : L65990MH1945PLC004558 (CIN) of the company
2. Name of the Company : Mahindra & Mahindra Limited
3. Registered address : Gateway Building, Apollo Bunder, Mumbai - 400 001
4. Website : www.mahindra.com
5. E-mail id : investors@mahindra.com
6. Financial Year reported : 01.04.2012 to 31.03.2013
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Description	Industrial Activity Code		
	Group	Class	Sub-class
Automotive	291	2910	29101, 29102, 29103, 29104, 29109
Farm Equipment	282	2821	28211, 28212
Defence	842	8422	84220

8. List three key products/services that the Company manufactures/provides (as in balance sheet):
 - i. Passenger Vehicles (Utility Vehicles, Multi Purpose Vehicles and Cars)
 - ii. Light Commercial Vehicles
 - iii. Tractors
9. Total number of locations where business activity is undertaken by the Company:
 - i. Number of International Locations: NIL
 - ii. Number of National Locations: 45

10. Markets served by the Company – Local/State/National/International: All

Section B: Financial Details of the Company

1. Paid up Capital (INR) : 306.99 crores
2. Total Turnover (INR) : 40990.33 crores
3. Total profit after taxes (INR) : 3352.82 crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 1%

5. List of activities in which expenditure in 4 above has been incurred
 - a. Education
 - b. Health
 - c. Green Cover
 - d. Relief and Rehabilitation

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?
Yes, the Company has 123 subsidiary companies as on 31st March 2013.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
Yes. Every year the Company releases a Sustainability Report as per the GRI framework which is externally assured. The scope of this Report is defined each year. For the year 2012-13, 19 subsidiaries have been included in the

scope of Sustainability Report viz. Mahindra & Mahindra Financial Services Limited (MMFSL), Mahindra First Choice Wheels Limited (MFCWL), Mahindra First Choice Services Limited (MFCSL), Mahindra Forgings Limited, Mahindra Gears & Transmissions Private Limited, Mahindra Hinoday Industries Limited, Mahindra Holidays & Resorts India Limited (MHRIL), Mahindra Lifespace Developers Limited (MLDL), Mahindra Insurance Brokers Limited, Mahindra Intertrade Limited (MIL), Mahindra Logistics Limited (MLL), Mahindra Reva Electric Vehicles Private Limited (MREVA), Mahindra Rural Housing Finance Limited, Mahindra Steel Service Centre Limited, Mahindra Two Wheelers Limited (MTWL), Mahindra Vehicle Manufacturers Limited (MVML), Mahindra World City Developers Limited (MWCDL), Mahindra World City (Jaipur) Limited (MWCJL) and Mahindra Sanyo Special Steel Private Limited (MSSSPL).

Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company has longstanding relationships with its dealers and suppliers. A majority of supplier base has already been covered by conducting awareness sessions on 'Sustainability'. The Company also engages with suppliers and dealers in programs meant for energy efficiency, reduction of packaging waste, skill up-gradation, logistics and transportation, etc. which in turn helps in creating a sustainable supply chain. The percentage of entities covered is estimated at less than 30% for dealers and 30-60% for suppliers.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a. Details of the Director/Director responsible for implementation of the BR policy/policies

- ▶ **DIN Number** : 00012541
- ▶ **Name** : Mr. Bharat Doshi
- ▶ **Designation** : Executive Director & Group Chief Financial Officer

b. Details of the BR Head

S. No.	Particulars	Details
1.	DIN Number (If applicable)	00104817
2.	Name	Mr. Rajeev Dubey
3.	Designation	President (Group HR, Corporate Services & After-Market)
4.	Telephone Number	+9122 24975192 +9122 24901441 Extn. 5594
5.	e-mail ID	DUBEY.RAJEEV@mahindra.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The Business Responsibility Policy ("BR Policy") encompassing the following 9 principles as per the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs), duly approved by the Board, is in place. This policy is operationalised and supported by various other policies, guidelines and manuals.

- P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3: Businesses should promote the wellbeing of all employees.
- P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P5: Businesses should respect and promote human rights.
- P6: Business should respect, protect, and make efforts to restore the environment.
- P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8: Businesses should support inclusive growth and equitable development.
- P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	P1: Ethics and Transparency	P2: Product Responsibility	P3: Wellbeing of employees	P4: Responsiveness to Stakeholders	P5: Respect Human Rights	P6: Environmental Responsibility	P7: Public policy advocacy	P8: Support inclusive growth	P9: Engagement with Customers
1.	Do you have a policy/policies for....	Y	Y Note 1	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y Note 2	Y Note 2	Y Note 2	Y Note 2	Y Note 2	Y Note 2	Y Note 2	Y Note 2	Y Note 2
3.	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	NA	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	N Note 3	N Note 3	N Note 3	N Note 3	N Note 3	N Note 3	N Note 3	N Note 3	N Note 3
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	N Note 4	Y	NA	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N Note 5	Y	Y	N Note 5	N Note 5	Y	N Note 5	N Note 5	Y

Note 1 – The Company complies with consumers' awareness through appropriate product labelling and operator manual & instructions which ensure safe usage by the customer. The Company's current control is limited till the warranty period. The Company is in the process of taking this forward to the various constituents of the value chain, through appropriate communication.

Note 2 – While there is no formal consultation with all stakeholders, the relevant policies have evolved over a period of time by taking inputs from the concerned internal stakeholders.

Note 3 – It has been the Company's practice to upload all policies on the intranet site for the information and implementation by the internal stakeholders. The Code of Conduct for Directors and the Code of Conduct for Senior Management and Employees is available on the website <http://www.mahindra.com>

Note 4 – While there is no specific grievance redressal mechanism for Human Rights, the Company has a Whistle Blower Policy to address employees' grievances with respect to human rights.

Note 5 – While the Company has not carried out independent audit of the policies; there is a limited assurance by an external agency for the GRI Report. The execution of the policies is through processes and systems, which are internally audited.

3. Governance Related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The CSR Committee of the Board meets at an interval of every 6 months to assess the BR performance. Other supporting councils/cells viz. Group Sustainability Council, Group CSR council, Central Safety Council and Corporate Governance Cell meet every 3 months.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Mahindra Group Sustainability Report as per the GRI framework is published annually. All Sustainability Reports commencing from 2007-08 till 2011-12 are GRI compliant and are accessible on the company website at the hyperlink <http://www.mahindra.com/How-We-Help/Environment/Sustainability>

The Sustainability Report for 2012-13 is under preparation and will be uploaded on the website of the Company in due course of time.

about his allegedly unjust termination from the services of the Company. The Company has replied to all his allegations.

The Company has different mechanisms for receiving and dealing with complaints from various stakeholders like Investors, Customers, Employees, and Suppliers etc.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

Product	Social & environmental benefits
i. Passenger Vehicles (UV/ MPV/ Cars)	Fuel efficient and engine stop/start technology. Micro Hybrid/CNG variants for certain models. End of Life of Vehicles (ELVs) for all export models. XUV500 model with extra safety features such as Hill hold control, Hill decent control, ESP with Roll-on mitigation, Multiple air bags, ABS with Electronic force distribution, Crash protection & Crumple zones and side impact protection.
ii. Light Commercial Vehicles (Gio & Maxximo)	Low cost and energy efficient small transport vehicles for encouraging self employment and better livelihood for rural and semi urban people.
iii. Low Cost Tractors (Yuvraj)	Specially designed low weight tractor for small and marginalised farmers.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

For above mentioned products, there is no explicit tracking mechanism in respect of resource use. However, the resource use for entire portfolio of products is tracked and monitored. Since the products

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

The Company has a defined Code of Conduct for Directors as well as the Senior Management and Employees of the Company that covers issues, inter alia, related to ethics, bribery, etc. The Code of Conduct for Senior Management and Employees, inter alia, covers all dealings with suppliers, customers and other business partners including Joint Ventures and other stakeholders.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has not received complaints from any stakeholders of the Company, except from an individual who is a shareholder and former employee whose services with the Company were terminated on proven misconduct. This individual frequently writes to the Company, alleging mismanagement of the affairs of the Company, violations of various statutory provisions as also

portfolio is distributed across various manufacturing locations of the Company, the resource use is monitored per unit of equivalent vehicle or equivalent tractor manufactured. The performance for current and previous year on Specific Energy Consumption, Specific GHG Emissions and Specific Water Consumption during production is appended below, which is as reported in the Group Sustainability Reports for 2011-12 and 2012-13:

Resource Use	Divisions	Unit of Measurement	Current Year 2012-13	Previous Year 2011-12
Specific Energy Consumption	Automotive	GJ/Equivalent Vehicle	2.524	2.801
	Farm Division (including Swaraj)	GJ/Equivalent Tractor	1.762	1.814
Specific Green House Gas Emissions (Scope I and II)	Automotive	tCO ₂ e/Equivalent Vehicle	0.377	0.416
	Farm Division (including Swaraj)	tCO ₂ e/Equivalent Tractor	0.269	0.272
Specific Water Consumption	Automotive	KL/Equivalent Vehicle	2.698	2.922
	Farm Division (including Swaraj)	KL/Equivalent Tractor	1.815	1.929

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Due to constant innovations and focus on fuel efficiency, there would be a reduction of use of energy by consumers. However, tracking of such reduction is not possible as it is highly dependent on individual customers' driving habits.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has a Green Supply Chain Management policy, which has been shared with Suppliers. Under this the Company is committed to improve the awareness about legal compliances, enhance eco-efficiencies, packaging/logistics improvements and employee health and safety initiatives at the supplier end, etc. To actualise this commitment, the Company

engages with its suppliers and vendors on a regular basis through supplier meets and training sessions. To institutionalise sustainable practices across supply chain, the Company has institutionalised sustainability awards for suppliers. These initiatives are at various stages of maturity with various suppliers and hence determining the percentage of inputs sourced sustainably is difficult.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. The Company has a practice of procuring goods and services from local and small producers. These suppliers are provided with managerial and technical assistance to train them on the practices and procedures that will ensure improvement in productivity and quality of parts supplied, reduction in costs, timely delivery to ensure meeting the delivery schedules and improvement in the safety practices as well as morale of the employee base.

The major factors influencing selection of such suppliers are:

- ▶ Capability, Performance and on-time delivery.
- ▶ Compliance on environment, health and safety guidelines.
- ▶ Readiness to participate in Sustainable Supply Chain Management program and
- ▶ Cost.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

It is the Company's ongoing endeavour to have a mechanism to recycle its products and limit the waste arising out of production of vehicles and tractors. The Company has initiated well documented processes to ensure compliance with the European Union Directive 2005/64/EC which is now implemented to the vehicles exported to European Union. The Company's objective has been to restrict the amount of waste produced from End of Life of Vehicles (ELVs) and increase the recovery and recycling of ELVs that arise therefrom. The information on recyclable parts and manual for dismantling is provided

with export vehicles. The Company follows ISO 22628:2002, to calculate the recyclability rate, recoverability rate and reusability rate (RRR) of the Company's export vehicles. The Company takes active participation in the deliberations of the Committee formed by the Society of Indian Automotive Manufacturers (SIAM) for framing of processes and procedures for Product Recycling in India. At present, the batteries used in vehicles are recycled in a structured manner through the battery manufacturing companies in India. Similarly other parts such as tyres, body components, etc. are recycled in an unstructured manner through licensed scrap dealers who either recover the material used or cannibalize/ refurbish the parts for reuse but these are not tracked now.

Wastes arising out of processes employed for manufacturing these products are segregated into 'Hazardous'/'Non-hazardous' and 'Wet/Dry' for responsible disposal through authorized agencies. Some of the initiatives introduced are the paint sludge, which is hazardous waste that is either recycled to make primer for castings for rust prevention or sent to cement kilns as input fuel. Similarly, packaging waste is identified and steps are initiated to avoid use of wood and corrugated boxes for transport. Though the waste generated is tracked, reported and partially recycled, the Company does not at present monitor percentage of recycling of such waste.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees: 34612
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 16068
3. Please indicate the Number of permanent women employees: 699
4. Please indicate the Number of permanent employees with disabilities: 26
5. Do you have an employee association that is recognized by management?
Yes
6. What percentage of your permanent employees is members of this recognized employee association?
56% considering Total Unionised Permanent Workmen/ total permanent employees and 97% considering Total Unionised Permanent Workmen/Total Permanent Workmen.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	5	NIL
3.	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- ▶ Permanent Employees: 88%
- ▶ Permanent Women Employees: 79%
- ▶ Casual/Temporary/Contractual Employees: 40%
- ▶ Employees with Disabilities: 81%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/No
Yes
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?
Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company has designed products specifically for improving the livelihood and encouraging entrepreneurship amongst rural and semi-urban persons through low cost products. Moreover, in the Farm equipment business vertical, there is a conscious move from Tractor manufacturing to 'Farm Tech Prosperity' where the various products and services are designed to improve farm productivity especially amongst small and marginalised farmers. Recently, an Integrated Watershed Management program has been undertaken in partnership with the Government of Madhya Pradesh

at Damoh, with a view to improve the standard of living in that area.

In addition, the Company has also undertaken community development initiatives, the details of which are given in answers under Principle 8.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Business Responsibility Policy covers the aspects on Human Rights for the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

There is an active and a well defined four step Grievance Redressal Machinery available at each plant for workmen where all types of grievances are redressed. Additionally, Employee Satisfaction Survey for workmen is periodically carried out through an external agency. All low scoring responses are discussed in Focused Group Meetings and duly resolved. Although there is no process to separately maintain records for grievances related to Human Rights, the above stated mechanism adequately addresses this issue. There is a mechanism for all employees of Automotive and Farm Sectors to voice their concerns to the Sector President through a 'Reach-out' e-mailer which is addressed with confidentiality. As on 31st March 2013, there were no stakeholder complaints pending at any of Company's plants/ workplace.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Company has various policies related to environmental protection. The Green Supply Chain Management Policy includes environment protection and covers suppliers. The Subsidiaries/Joint Ventures have their own policies which are in sync with the Company's environmental policies.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. These strategies and initiatives are elaborated in the Company's GRI reports since 2007-08 which are

available on <http://www.mahindra.com/How-We-Help/Environment/Sustainability>. All the targets set out in the sustainability roadmap developed in 2008-09, on the commitments related to energy conservation, GHG reduction and Water Conservation etc. have already been achieved. These strategies and initiatives are also aligned to the National Action Plan on Climate Change.

The strategies and new initiatives continue year on year. In the current reporting year, various initiatives on energy saving, water saving, waste reduction etc. were implemented. An indicative list in this regard is appended below and complete details will be available in the Sustainability Report for the year 2012-13.

Energy Savings:

- ▶ Implementation of energy saving Induction Lamps in place of 450W Metal Halide roof lamps.
- ▶ Replaced forced cooling draft towers with natural cooling towers.
- ▶ Installation of Variable Frequency Drive for Compressors.
- ▶ Interlocking program for lights and fans with conveyor so that they are 'ON' only when conveyor operates.
- ▶ Reduction in running hours of chilling compressor by shifting to CED technology in place of AED in paint shop.
- ▶ Installation of energy efficient compressors.
- ▶ Installation of 'Light Pipe' working on Solar Lighting in day time using new technology of 3 stage principle of Light Collection, Light Reflection and Light Dispersion.

Water Saving:

- ▶ Installation of Rain Water Harvesting.
- ▶ Conversion of open loop cooling system to closed loop.
- ▶ Usage of treated recycled water.
- ▶ Connection of all overhead tanks in series along with overflow sensors to avoid loss due to overflow.
- ▶ Identification and elimination of leakages from underground fire pipe lines.

Waste Reduction:

- ▶ Robotic painting in paint shop for optimum paint application and reduction in paint sludge.
- ▶ Filter press for Phosphate & Effluent Treatment Plant (ETP) Sludge handling.
- ▶ Reuse and resizing of cotton waste.
- ▶ System for paint sludge dewatering.
- ▶ Recycling of used thinner for lower end application.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company has a mechanism to identify and assess potential environmental risks across all locations.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Yes. Same as stated under point 2.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is a member of the following trade and chambers of associations in alphabetical order :

a. The Associated Chambers of Commerce and Industry of India (ASSOCHAM), b. Bombay Chamber of Commerce and Industry (BCCI), c. Confederation of Indian Industry (CII), d. Employers' Federation of India (EFI), e. The Federation of Indian Chambers of Commerce and Industry (FICCI), f. Indian Merchants Chambers, g. National Human Resource Development Network (NHRDN), h. Society of Indian Automobile Manufacturers (SIAM), i. The Energy and Resource Institute (TERI), j. Tractor Manufacturer's Association (TMA).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

The Company participates as a stakeholder of SIAM and TMA on policies related to automotive and tractor

industry, Sustainable Mobility, Farm Tech Prosperity, Economic Reforms, Sustainable Business Principles (Sustainable Supply Chain Management) and Vehicle Recall policy. The Company also contributes through Confederation of Indian Industry/Bombay Chamber of Commerce and Industry, when views are solicited on matters such as Securities Law, Corporate Laws, etc.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company focuses on three essential aspects of holistic community development – education, health and environment. Since the year 2005, the company has pledged to contribute upto 1% of profit after tax towards Corporate Social Responsibility initiatives. While there are many programs on health, education and environment taken up especially under the employee volunteerism program, the major initiatives supported by the Company are:

- Mahindra Pride School – Youth training program for employability of SC/ST youth.
- Nanhi Kali – Education of Underprivileged Girl Child.
- Lifeline Express – Mass medical interventions and surgeries in remote rural areas.
- Mahindra Hariyali – Mass tree plantation to improve the green cover across the country.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Programs/projects are undertaken through a combination of in-house teams, under the employee volunteerism, through its own Foundations set up for CSR activities and in collaboration with recognised and reputed NGOs.

3. Have you done any impact assessment of your initiative?

Impact assessment of large initiatives like Nanhi Kali and Mahindra Pride School are undertaken from time to time.

4. What is your company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken?

Contribution to community development projects; Amount in INR: 33.53 crores during the Financial Year 2012-13.

The details of projects:

- Education (Nanhi Kali, Mahindra Pride Schools, scholarships).
- Health (Lifeline Express, Aids Awareness).
- Environmental (Project Hariyali – tree plantation for green cover).

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

- Through the Nanhi Kali program, parents, teachers and village elders are also positively impacted through counseling sessions and such other interventions. Number of Nanhi Kalis adopted during the Financial Year 2012-13 is 78,338 of which, the Mahindra Group has supported the education of 29,702 Nanhi Kalis. Students, who pass out of the Mahindra Pride Schools, become mentors for new students and spread awareness of the initiatives taken by them in their respective localities. During the Financial Year 2012-13, a total of 2,605 scheduled caste/scheduled tribe students were trained at Mahindra Pride Schools.
- The lifeline express program is conducted in collaboration with local governments and communities and is aimed at spreading awareness on the importance of improved health and medical interventions.
- The Project Hariyali program not only adds green cover, but also enhances the livelihood of local tribesmen in areas where mass plantation is undertaken.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Customer complaints are treated very seriously in the organisation. The Company hears its customers through various mediums such as emails to customercare@mahindra.com, With You Hamesha 24 x 7 Call centre toll free no, websites, tweet handle, telephone, letter, fax etc. The status of pending complaints/cases as on 31st March 2013 is as follows :

	Complaints	Consumer Cases
Auto Division	1%	44.15%
Farm Division	2%	42.94%

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

Yes. In addition to mandatory requirements, the Company also provides service and safety labels as deemed appropriate. e.g. Product fuel economy data displayed for each variant at selling points (Dealership).

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Yes. There are 2 matters related to alleged unfair trade practices and 1 matter related to alleged anti-competitive activity for which cases have been filed against the Company and which are pending for disposal as on the end of the financial year.

The anti-competitive activity alleged is about the non-availability of spare parts in the open market. One of the allegations is that OEMs are restricting the availability of spare parts in the open market and limiting them to their own distribution network resulting in high prices of these spare parts and their non-availability to the independent car repairers.

One matter pertaining to unfair trade practice is where the Petitioner has alleged that although the Company has appointed them as their sole dealer, the Company has subsequently appointed a distributor in the same Region. In an other matter, the allegation is from an automotive dealer who has alleged that his dealership has been terminated forcibly and fraudulently by the Company.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, through

- ▶ J. D. Power survey for Automobiles
- ▶ MQRS survey for load carriers and
- ▶ TNS Survey for Tractors.

Financial Position at a Glance

Rupees crores

	As per Revised Schedule VI			As per Old Schedule VI						
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net Fixed Assets	5821	5088	3904	3703	3214	2361	1871	1555	1475	1391
Investments	11834	10297	8913	6398	5786	4215	2238	1669	1190	1111
Foreign Currency Monetary Item Translation Difference Account Asset/(Liability)	—	—	—	(3)	18	—	—	—	—	—
Inventories	2420	2358	1694	1189	1061	1084	878	879	760	500
Trade Receivable/Debtors	2208	1929	1260	1258	1044	1005	701	638	512	400
Other Non Current/Current Assets	5171	4098	3753	3599	2959	1555	2169	1232	1028	625
Misc. Expenditure not written off	—	—	—	—	13	14	18	18	24	10
Borrowings	3227	3174	2321	2880	4053	2587	1636	883	1052	730
Long Term/Current Liabilities and Provisions	8953	7964	6535	5197	4798	3240	2666	2052	1760	1329
Deferred Tax Liabilities/(Assets) (Net)	615	527	355	240	(18)	57	20	147	190	203
Equity Capital	295	295	294	283	273	239	238	233	112	116
Reserves and Surplus	14364	11810	10019	7544	4989	4111	3315	2676	1875	1659
Net Worth	14659	12105	10313	7827	5262	4350	3553	2909	1987	1775
Book Value Per Share (Rupees)	248.14	205.32	175.43	@138.10	192.12	180.87	147.98	*123.29	174.46	150.89

@ Book value per share is shown after giving effect to the sub division of each Ordinary (Equity) Share of the face value Rs. 10 each fully paid up into two Ordinary (Equity) Shares of Rs. 5 each fully paid up in March, 2010.

* Book value per share is shown after giving effect to a 1:1 bonus issue in September, 2005.

Book value per share is calculated after reducing Miscellaneous Expenditure not written off and Revaluation Reserve from Net Worth.

Summary of Operations

Rupees crores

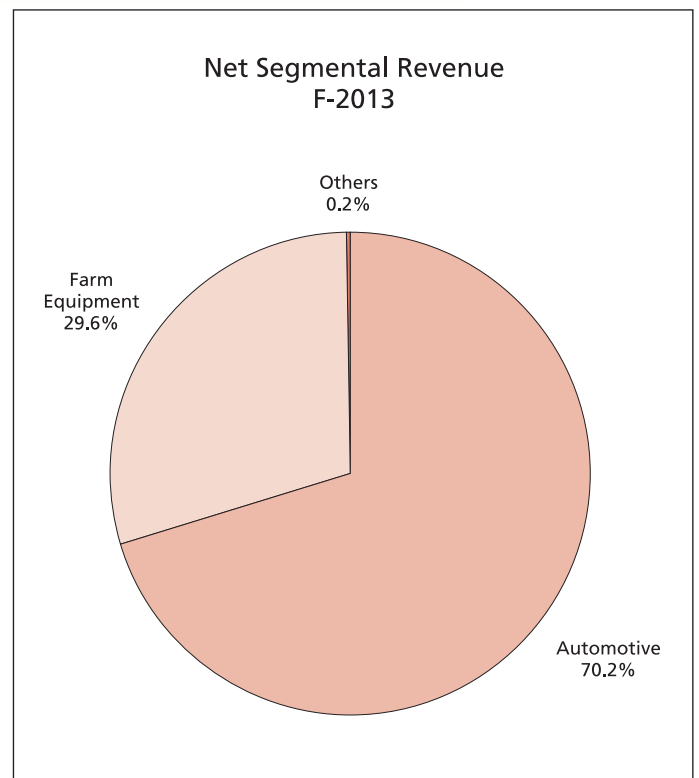
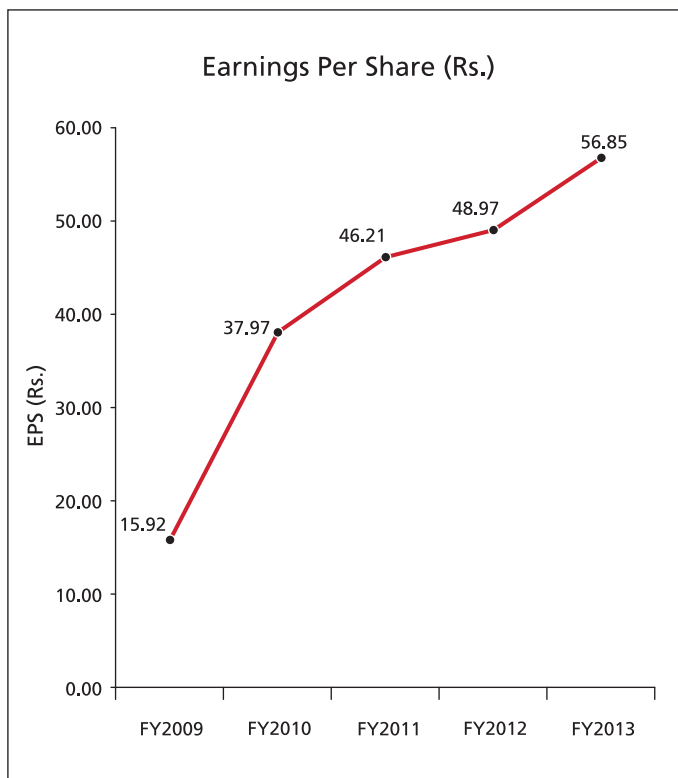
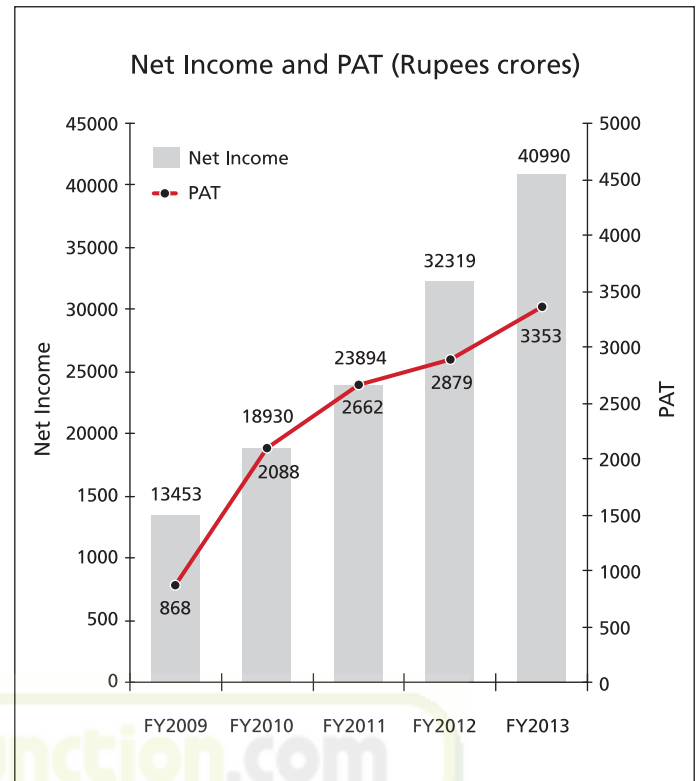
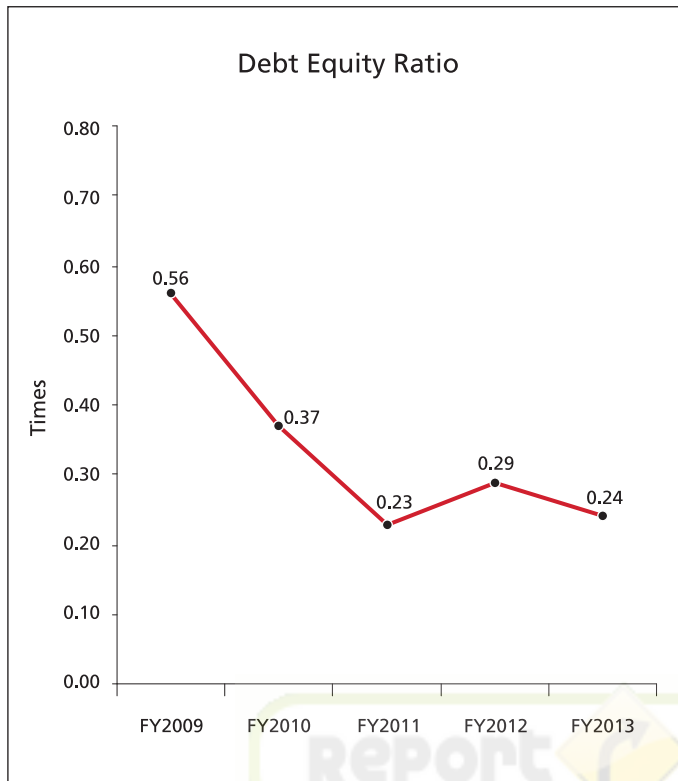
	As per Revised Schedule VI			As per Old Schedule VI						
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Income	43962	34820	25989	20724	15072	13301	11645	9496	7840	6026
Materials	30415	23500	16264	12333	9274	7726	6828	5714	4603	3353
Excise Duty (Net)	2972	2501	2095	1807	1587	1584	1335	1136	1055	955
Personnel	1867	1701	1432	1198	1025	868	666	553	465	421
Finance Costs/Interest	191	163	72	157	134	87	20	27	30	77
Depreciation and Amortisation Expense	711	576	414	371	292	239	209	200	184	165
Other Expenses	3450	2881	2310	2102	1734	1563	1271	977	803	646
Exceptional items	91	108	118	91	10	173	122	210	14	29
Profit before tax for the year	4447	3606	3520	2847	1036	1407	1438	1099	714	438
Tax for the year	1094	727	858	759	199	304	351	242	201	89
Adj. pertaining to Prev. Years	—	—	—	—	▲31	—	(19)	—	—	—
Balance profit	3353	2879	2662	2088	868	1103	1068	857	513	349
Dividends	#+891	+869	+803	+624	+312	+321	+325	+278	+172	+118
Equity Dividend (%)	260	250	230	190	100	115	115	100	130	90
Earnings per Share (Rupees)	56.85	48.97	46.21	37.97	15.92	23.12	22.58	19.04	11.52	7.51
Vehicles produced/ purchased (Units)	555510	474145	355500	284516	201993	196956	169557	148213	148025	117670
Vehicles sold (Units)	551469	469345	354073	282119	206688	195077	169679	147591	145024	117399
Tractors produced (Units)	219893	246475	216388	173276	119098	98917	103847	87075	67115	50102
Tractors sold (Units)	224844	236666	214325	175196	120202	99042	102531	85029	65390	49576

Proposed Dividend.

+ Including Income-tax on Proposed Dividend/Dividends.

▲ Profit of Mahindra Holdings and Finance Limited for the period 1st February, 2008 to 31st March, 2008.

Financial Highlights





ACCOUNTS



Independent Auditors' Report to the Members of Mahindra & Mahindra Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Mahindra & Mahindra Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

6. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
7. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For DELOITTE HASKINS & SELLS

Chartered Accountants
(Firm Registration No. 117364W)

Shyamak R Tata
Partner

(Membership No. 38320)

MUMBAI : 30th May, 2013

Annexure to the Independent Auditors' Report

(Referred to in paragraph 6 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In our opinion and according to the information and explanations given to us, the nature of the Company's business/activities during the year are such that clauses (x), (xii), (xiii) and (xiv) of paragraph 4 of the Order, are not applicable to the Company. In respect of the other clauses, we report as under:

i. In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) During the year, in our opinion, a substantial part of fixed assets has not been disposed off by the Company.

ii. In respect of its inventories:

- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

iii. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956.

iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

v. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

- (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
- (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, having regard to the explanations that some of items purchase, are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.

vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

vii. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and the nature of its business.

viii. We have broadly reviewed the cost records maintained by the Company, as prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained and are being made up. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

ix. According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

- (c) As at 31st March, 2013, the following are the particulars of dues on account of Income-Tax, Sales Tax, Service Tax, Wealth Tax, Customs Duty, Excise Duty and Cess that have not been deposited on account of any dispute:

Name of Statute	Nature of Dues	Forum where the Dispute is pending	Period to which the amount relates	Amount involved (Rs. in crores)
Income-Tax Laws	Income-Tax	Appellate Authority – Commissioner (Appeals)	1999-2012	76.97
Sales Tax Laws	Sales Tax	High Court	1987-2013	191.07
		Appellate Authority – Tribunal Level	1987-2011	10.55
		Appellate Authority – Commissioner (Appeals)	1997-2010	42.77
Service Tax Laws	Service Tax	Appellate Authority – Tribunal Level	2001-2009	1.00
		Appellate Authority – Commissioner	2007-2012	44.84
Excise Duty Laws	Excise Duty	Supreme Court	1991-1996	506.88
		High Court	2007-2008	29.69
		Appellate Authority – Tribunal Level	1990-2012	497.72
		Appellate Authority – Commissioner	2002-2013	127.46
Customs Duty Laws	Customs Duty	Appellate Authority – Tribunal Level	2008-2009	1.14

- x. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- xi. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions, whereof, in our opinion are prejudicial to the interests of the Company.
- xii. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- xiii. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that funds raised on short term basis, have not been used during the year for long-term investment.
- xiv. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the year.
- xv. According to the information and explanations given to us, the Company has created security in respect of the debentures issued in earlier years.
- xvi. The Company has not raised any money by public issue during the year.
- xvii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117364W)

Shyamak R Tata
Partner
(Membership No. 38320)

MUMBAI : 30th May, 2013

Balance Sheet as at 31st March, 2013

Rupees crores

	Note	2013	2012
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS :			
(a) Share Capital.....	2	295.16	294.52
(b) Share Capital Suspense Account.....	37	—	*
(c) Reserves and Surplus.....	3	14,363.76	11,810.17
		14,658.92	12,104.69
* denotes amount less than Rs. 50,000			
NON CURRENT LIABILITIES :			
(a) Long Term Borrowings.....	4	3,172.44	3,173.83
(b) Deferred Tax Liabilities (Net)	5	614.85	527.13
(c) Other Long Term Liabilities.....	6	415.40	274.77
(d) Long Term Provisions	7	441.59	363.49
		4,644.28	4,339.22
CURRENT LIABILITIES :			
(a) Short Term Borrowings.....	8	54.63	0.39
(b) Trade Payables	9	5,579.71	4,736.35
(c) Other Current Liabilities	10	1,052.17	1,226.70
(d) Short Term Provisions	11	1,463.88	1,362.61
		8,150.39	7,326.05
Total		27,453.59	23,769.96
II. ASSETS			
NON CURRENT ASSETS :			
(a) Fixed Assets			
Tangible Assets	12 (A)	4,751.06	4,052.61
Intangible Assets	12 (B)	206.80	240.74
Capital Work-in-Progress		495.54	569.93
Intangible Assets Under Development		367.94	224.80
		5,821.34	5,088.08
(b) Non Current Investments.....	13 (A)	10,571.50	9,260.45
(c) Long Term Loans and Advances	14	2,087.47	1,476.68
(d) Other Non Current Assets	15	29.85	36.45
		18,510.16	15,861.66
CURRENT ASSETS :			
(a) Current Investments.....	13 (B)	1,261.96	1,036.90
(b) Inventories.....	16	2,419.77	2,358.39
(c) Trade Receivables	17	2,208.35	1,928.53
(d) Cash and Bank Balances	18	1,781.41	1,188.43
(e) Short Term Loans and Advances.....	19	763.40	930.99
(f) Other Current Assets.....	20	508.54	465.06
		8,943.43	7,908.30
Total		27,453.59	23,769.96

The accompanying notes 1 to 48 are an integral part of the Financial Statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered AccountantsShyamak R Tata
PartnerMumbai, 30th May, 2013

Deepak S. Parekh	} Directors
Nadir B. Godrej	
M. M. Murugappan	
A. K. Nanda	
Narayanan Vaghul	
A. S. Ganguly	
R. K. Kulkarni	
Anupam Puri	
Vikram Singh Mehta	

Anand G. Mahindra Chairman & Managing Director

Bharat Doshi Executive Director & Group CFO

Narayan Shankar Company Secretary

Mumbai, 30th May, 2013

Statement of Profit and Loss for the year ended 31st March, 2013

Rupees crores

	Note	2013	2012
Gross Revenue from Sale of Products and Services.....	21	42,874.61	33,893.02
Less : Excise Duty.....		2,971.49	2,500.99
Net Revenue from Sale of Products and Services.....		39,903.12	31,392.03
Other Operating Revenue.....	21	538.04	455.16
Revenue from Operations (Net).....	21	40,441.16	31,847.19
Other Income.....	22	549.17	472.12
Total Revenue.....		40,990.33	32,319.31
EXPENSES :			
Cost of Materials Consumed.....	23	20,749.87	18,804.52
Purchases of Stock-in-Trade.....	24	9,752.68	5,292.58
Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Manufactured Components.....	25	(87.31)	(597.33)
Employee Benefits Expense.....	26	1,866.45	1,701.78
Finance Costs.....	27	191.19	162.75
Depreciation and Amortisation Expense.....	28	710.81	576.14
Other Expenses.....	29	3,533.29	2,954.78
		36,716.98	28,895.22
Less : Cost of Manufactured Products Capitalised.....		83.12	73.53
Total Expenses.....		36,633.86	28,821.69
Profit Before Exceptional Item and Tax.....		4,356.47	3,497.62
Add : Exceptional Item.....	38	90.62	108.27
Profit Before Tax.....		4,447.09	3,605.89
Less : Tax Expense			
Current Tax.....		933.21	703.47
Less : MAT Credit Entitlement.....		—	165.23
Net Current Tax.....		933.21	538.24
Deferred Tax (Net).....		161.06	188.76
		1,094.27	727.00
Profit for the year.....		3,352.82	2,878.89
Earnings per equity share	39		
(Face value Rs. 5/- per share) (Rupees)			
Basic.....		56.85	48.97
Diluted.....		54.61	46.89
The accompanying notes 1 to 48 are an integral part of the Financial Statements			

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered AccountantsShyamak R Tata
PartnerMumbai, 30th May, 2013

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
A. K. Nanda
Narayanan Vaghul
A. S. Ganguly
R. K. Kulkarni
Anupam Puri
Vikram Singh Mehta

} Directors

Anand G. Mahindra Chairman & Managing Director

Bharat Doshi Executive Director & Group CFO

Narayan Shankar Company Secretary

Mumbai, 30th May, 2013

Cash Flow Statement for the year ended 31st March, 2013

Rupees crores

	2013	2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before exceptional item and taxation.....	4,356.47	3,497.62
Adjustments for :		
Depreciation and Amortisation.....	710.81	576.14
Profit on Exchange (Net).....	(33.37)	(5.55)
Investment and Interest Income.....	(371.51)	(306.72)
Interest, Commitment and Finance Charges.....	191.19	162.75
Employee Stock Compensation Expense	67.06	97.97
Write off of Intangible Asset under Development.....	17.04	—
Profit on sale of investments (Net).....	(62.62)	(34.76)
Profit on fixed assets sold/scrapped/written off (Net).....	(10.20)	(24.95)
Excess of cost over fair value of current investments, reversed (Net).....	(1.84)	(0.05)
	506.56	464.83
Operating Profit before Working Capital changes.....	4,863.03	3,962.45
Changes in :		
Trade and other receivables.....	(784.83)	(761.15)
Inventories.....	(62.74)	(652.36)
Trade and other payables.....	1,003.48	929.22
	155.91	(484.29)
Cash generated from operations.....	5,018.94	3,478.16
Income Taxes paid (Net of refunds)	(873.23)	(743.21)
NET CASH FROM OPERATING ACTIVITIES.....	4,145.71	2,734.95
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets.....	(1,435.62)	(1,374.69)
Sale of fixed assets	46.32	34.27
Purchase of long term investments – Subsidiary	(1,172.17)	(857.48)
Purchase of other long term investments.....	(4.08)	(3.06)
Purchase of current investments.....	(40,593.17)	(21,411.33)
Sale of long term investments – Associates.....	2.53	23.37
Sale of current investments	40,484.34	21,184.20
Interest received	142.69	108.18
Dividends received.....	182.53	162.10
Bank Deposits placed	(724.18)	(90.60)
Bank Deposits matured.....	160.56	142.00
Increase in Earmarked & Margin account.....	(1.71)	(0.19)
Inter corporate deposits given	(936.23)	(1,035.10)
Inter corporate deposits refunded.....	860.22	1,233.00
Exceptional Item :		
Sale of long term investment	92.02	—
NET CASH USED IN INVESTING ACTIVITIES.....	(2,895.95)	(1,885.33)

Cash Flow Statement (contd.)

Rupees crores

	2013	2012
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from borrowings.....	227.48	900.97
Repayments of borrowings	(380.73)	(249.72)
Net decrease in Cash Credit Facilities.....	(0.17)	(7.05)
Dividends paid [including income-tax on dividends Rs. 101.13 crores (2012 : Rs. 96.56 crores)]....	(866.97)	(800.78)
Interest, commitment and finance charges paid	(201.50)	(149.57)
NET CASH USED IN FINANCING ACTIVITIES.....	(1,221.89)	(306.15)
NET INCREASE IN CASH AND CASH EQUIVALENT	27.87	543.47
OPENING CASH AND CASH EQUIVALENT	1,136.11	510.84
CASH AND CASH EQUIVALENT RECEIVED/(GIVEN) PURSUANT TO THE SCHEME OF ARRANGEMENT/ BUSINESS TRANSFER.....	(0.02)	81.80
CLOSING CASH AND CASH EQUIVALENT	1,163.96	1,136.11



Notes to the Cash Flow Statement for the year ended 31st March, 2013

Rupees crores

	2013	2012
1. The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Accounting Standard 3 'Cash Flow Statement'		
2. Cash and Cash Equivalents	1,163.96	1,136.11
Unrealised Gain on foreign currency Cash and Cash Equivalents.....	—	0.20
	1,163.96	1,136.31
Other Bank Balances	617.45	52.12
Cash and Bank Balances (Note 18)	1,781.41	1,188.43
3. Pursuant to the Scheme of Arrangement between Mahindra Automobile Distributor Private Limited (MADPL), a subsidiary of the Company, and the Company, as sanctioned by Honourable High Court of Bombay vide its order dated 30 th March, 2012, the entire assets and liabilities, duties and obligations of the Automotive business of MADPL was transferred to and vested in the Company, from 1 st April, 2011 (the appointed date) at the values indicated below :		
(i) Loan Funds	—	309.47
(ii) Other Liabilities	—	160.50
(iii) Fixed Assets (Net)	—	32.47
(iv) Investments	—	19.26
(v) Other Assets	—	127.56
This arrangement into the Company is a non-cash transaction.		
4. The Company has transferred its Naval system division to a wholly owned subsidiary in the current year with effect from 1 st June, 2012. The value of the assets and liabilities of the division transferred are at the values indicated below :		
(i) Other Liabilities	2.07	—
(ii) Fixed Assets (Net)	3.31	—
(iii) Other Assets	12.24	—
This transfer is a non-cash transaction.		

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered AccountantsShyamak R Tata
PartnerMumbai, 30th May, 2013

Deepak S. Parekh Nadir B. Godrej M. M. Murugappan A. K. Nanda Narayanan Vaghul A. S. Ganguly R. K. Kulkarni Anupam Puri Vikram Singh Mehta	Directors
---	-----------

Anand G. Mahindra Chairman & Managing Director**Bharat Doshi** Executive Director & Group CFO**Narayan Shankar** Company SecretaryMumbai, 30th May, 2013

Notes forming part of the Financial Statements for the year ended 31st March, 2013

1. Significant Accounting Policies :

(A) Basis of Accounting :

The financial statements are prepared in accordance with the generally accepted accounting principles in India and comply with the Accounting Standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 and the relevant provisions thereof.

(B) Tangible Assets :

- (a) (i) Tangible assets are carried at cost less depreciation except as stated in (ii) below. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. Where the acquisition of depreciable tangible assets are financed through long term foreign currency loans (having a term of 12 months or more at the time of their origination) the exchange differences on such loans are added to or subtracted from the cost of such depreciable tangible assets.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Statement of Profit and Loss.

- (ii) Land and Buildings, had been revalued as at 31st October, 1984 at depreciated replacement values on the basis of a valuation made by a firm of Chartered Surveyors and Valuers. The indices, if any, used are not stated in the valuation.

- (b) (i) Leasehold land is amortised over the period of the lease.

- (ii) Depreciation on assets is calculated on Straight Line Method over their estimated useful lives, or lives based on the rates specified in Schedule XIV to the Companies Act, 1956, whichever is higher. Accordingly depreciation is provided on :

- (1) Certain items of Plant and Machinery individually costing more than Rs. 5,000 - over their useful lives (2 years, 3 years, 5 years or 7 years, as the case may be).
- (2) Cars and Vehicles – at 15% of cost.

- (iii) Depreciation charge for each year is after deducting the amount representing the depreciation on the increase due to revaluation of Land and Buildings, transferred from the Revaluation Reserve.

(C) Intangible Assets :

Intangible assets are initially measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed.

(a) Technical Knowhow :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding six years commencing with the year of purchase of the technology.

(b) Development Expenditure :

The expenditure incurred on technical services and other project/product related expenses are amortised over the estimated period of benefit, not exceeding five years.

(c) Software Expenditure :

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

(D) Impairment of Assets :

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

(E) Investments :

Long term investments are valued at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of investments. Current investments are valued at the lower of cost and fair value, determined by category of investment.

(F) Inventories :

Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials and bought out components are valued at the lower of cost or net realisable value. Cost is determined on the basis of the weighted average method.

Finished goods produced and purchased for sale, manufactured components and work-in-progress are carried at cost or net realisable value whichever is lower. Excise duty is included in the value of finished goods inventory.

Stores, spares and tools other than obsolete and slow moving items are carried at cost. Obsolete and slow moving items are valued at cost or estimated net realisable value, whichever is lower.

(G) Foreign Exchange Transactions :

Transactions in foreign currencies (other than firm commitments and highly probable forecast transactions) are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) is recognised as income or expense, as the case may be.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of depreciable tangible assets are added to, or subtracted from, the cost of such depreciable tangible assets and the balance accumulated in 'Foreign Currency Monetary Item Translation Difference Account', under Reserves and Surplus, and amortised over the balance term of the long term monetary item.

Any premium or discount arising at the inception of a forward exchange contract is recognised as income or expense over the life of the contract, except where the contract is designated as a cash flow hedge.

(H) Derivative Instruments and Hedge Accounting :

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company does not hold derivative financial instruments for speculative purposes. The Company has applied to such contracts the hedge accounting principles set out in Accounting Standard 30 'Financial Instruments : Recognition and Measurement' (AS 30) by marking them to market at each reporting date.

Changes in the fair value of the contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account and the ineffective portion is recognised in the Statement of Profit and Loss.

(I) Revenue Recognition :

Sales of products and services including export benefits thereon are recognised when the products are shipped or services rendered.

Excise duty recovered on sales is included in "Revenue from Operations".

Dividend from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

(J) Government Grants :

The Company, directly or indirectly through a consortium of Mahindra Group Companies, is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlement as income on accrual basis.

(K) Employee Benefits :

In respect of Defined Contribution Plans/Defined Benefit Plans/Long term Compensated Absences :

Company's contributions paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

Contributions to Provident Fund are made to a Trust administered by the Company and are charged to Statement of Profit and Loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to members at the rate declared by the Government of India.

Company's liability towards gratuity, long term compensated absences, post retirement medical benefit and post retirement housing allowance schemes are determined by independent actuaries, using the projected unit credit method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

In respect of Employee Stock Option Scheme :

The compensation cost of stock options granted to employees is measured by the Intrinsic Value Method. The intrinsic value, which is the excess of the market price of the underlying equity shares as of the date of the grant over the exercise price of the option, is recognised and amortised on straight line basis over the vesting period.

(L) Borrowing Costs :

All borrowing costs are charged to the Statement of Profit and Loss except :

- (i) Borrowing costs that are attributable to the acquisition or construction of assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.
- (ii) Expenses incurred on raising long term borrowings are amortised over the period of borrowings. On early buyback, conversion or repayment of borrowings, any unamortised expenditure is fully written off in that year.

(M) Product Warranty :

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

(N) Leases :

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns, computer hardware etc.). The leasing arrangements, which are not non-cancellable, range between eleven months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent.

(O) Taxes on Income :

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

(P) Segment Reporting :

Segments are identified having regard to the dominant source and nature of risks and returns and internal organisation and management structure.

Revenues and expenses have been identified to the segment based on their relationship to the business activity of the segment.

Income/Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses. Inter-segment transfers are at prices which are generally market led.

2. Share Capital :

Rupees crores

	2013	2012
Authorised :		
1,20,00,00,000 Ordinary (Equity) Shares of Rs. 5 each.....	600.00	600.00
25,00,000 Unclassified Shares of Rs. 100 each	25.00	25.00
	625.00	625.00
Issued and Subscribed :		
61,39,80,756 (2012 : 61,39,74,839) Ordinary (Equity) Shares of Rs. 5 each fully paid up.....	306.99	306.99
Less :		
2,36,57,485 (2012 : 2,49,45,194) Ordinary (Equity) Shares of Rs. 5 each fully paid up issued to ESOP Trust but not allotted to employees	11.83	12.47
Adjusted : Issued and Subscribed Share Capital.....	295.16	294.52

(A) Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

	2013		2012	
	No. of shares	Rupees crores	No. of shares	Rupees crores
Issued and Subscribed :				
Balance as at the beginning of the year	61,39,74,839	306.99	61,39,40,109	306.97
Add :				
Shares issued under Schemes of Arrangement.....	5,917	*	34,730	0.02
Balance as at the end of the year	61,39,80,756	306.99	61,39,74,839	306.99
Less :				
Shares issued to ESOP Trust but not allotted to Employees [Note 3(K)]	2,36,57,485	11.83	2,49,45,194	12.47
Adjusted : Issued and Subscribed Share Capital.....	59,03,23,271	295.16	58,90,29,645	294.52

* denotes amounts less than Rs. 50,000

(B) The Ordinary (Equity) shares of the Company rank *pari-passu* in all respects including voting rights and entitlement to dividend.

(C) Details of Ordinary (Equity) shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	2013		2012	
	No. of shares	% shareholding	No. of shares	% shareholding
(i) Prudential Management and Services Pvt. Ltd.	6,99,86,970	11.40		
(ii) Life Insurance Corporation of India.....	6,52,03,016	10.62	8,47,14,974	13.80
(iii) M&M Benefit Trust	5,18,35,214	8.44	5,18,35,214	8.44
(iv) The Bank of New York Mellon (for GDR holders)....	3,29,49,467	5.37	3,42,93,405	5.59

(D) Issued and Subscribed Share Capital includes an aggregate of 6,61,99,551 (2012 : 6,61,93,634) Ordinary (Equity) Shares of Rs. 5 each allotted as fully paid-up pursuant to Schemes of Arrangement without payment having been received in cash, for a period of five years immediately preceding the end of the financial year.

3. Reserves and Surplus :

Rupees crores

	2013	2012
(A) Capital Reserve :		
Balance as at the beginning of the year.....	10.13	11.50
Less :		
Consequent to the Scheme of Arrangement [Note 37]	—	1.37
Balance as at the end of the year.....	10.13	10.13
(B) Securities Premium Account :		
Balance as at the beginning of the year.....	2,284.44	2,263.31
Add :		
On account of exercise of employee stock options	25.88	21.23
	2,310.32	2,284.54
Less :		
Applied, in accordance with Section 78 of the Companies Act, 1956, towards :		
Writing-off of debenture issue expenses [Net of Tax of Rs. 0.05 crores (2012 : Rs. 0.05 crores)]	0.10	0.10
	2,310.22	2,284.44
Less :		
Premium on shares issued to ESOP Trust but not allotted to employees [Note 3(K)]	76.67	78.25
Balance as at the end of the year.....	2,233.55	2,206.19
(C) Revaluation Reserve :		
Balance as at the beginning of the year.....	10.91	11.18
Less :		
(i) Adjusted against depreciation for the year	0.06	0.13
(ii) Adjusted in respect of revalued Land and Buildings sold/demolished.....	0.01	0.14
Balance as at the end of the year.....	10.84	10.91
(D) General Reserve :		
Balance as at the beginning of the year.....	1,397.23	1,304.75
Add :		
(i) Transfer from Surplus in Statement of Profit and Loss.....	400.00	300.00
(ii) On account of employee stock options*	22.73	—
	1,819.96	1,604.75
Less :		
Consequent to the Scheme of Arrangement [Note 37]	—	207.52
	1,819.96	1,397.23
Add :		
Bonus shares issued to ESOP Trust but not allotted to employees [Note 3(K)].....	1.08	1.40
Balance as at the end of the year.....	1,821.04	1,398.63
* relating to shares other than those allotted by the Company to the ESOP Trust		
(E) Debenture Redemption Reserve :		
Balance as at the beginning of the year.....	57.14	42.86
Add :		
Transfer from Surplus in Statement of Profit and Loss	14.29	14.28
Balance as at the end of the year.....	71.43	57.14

3. Reserves and Surplus : (contd.)

Rupees crores

	2013	2012
(F) Investment Fluctuation Reserve [Note 37] :		
Balance as at the beginning of the year.....	216.29	225.79
Add :		
(i) Provision no longer required written back	—	0.31
(ii) Transfer pursuant to the Scheme of Arrangement	—	113.93
(iii) Adjustment to Deferred Tax on assets relating to a product development project.....	66.29	—
	282.58	340.03
Less :		
Provision made during the year [Net of Tax of Rs. 1.87 crores (2012 : Rs. Nil)]*	4.60	123.74
Balance as at the end of the year.....	277.98	216.29
* pursuant to Schemes of Arrangement/Amalgamation approved by the Honourable High Court		
(G) Hedging Reserve Account :		
Balance as at the beginning of the year.....	(37.96)	(3.58)
Add :		
Loss on mark to market of hedging instruments designated and effective as hedges of future cash flows	(19.67)	(50.91)
	(57.63)	(54.49)
Less :		
Deferred Tax	7.55	16.53
Balance as at the end of the year.....	(50.08)	(37.96)
(H) Employee Stock Options Outstanding :		
Balance as at the beginning of the year.....	257.77	243.23
Add :		
On account of options granted during the year.....	46.61	47.50
	304.38	290.73
Less :		
(i) Transfer to Securities Premium Account on exercise of options during the year.....	25.88	21.23
(ii) Transfer to General Reserve on account of employee stock options*	22.73	—
(iii) For options lapsed during the year.....	11.62	11.73
Balance as at the end of the year.....	244.15	257.77
Less :		
Deferred Employee Compensation Expense	112.69	147.07
Balance as at the end of the year.....	131.46	110.70

* relating to shares other than those allotted by the Company to the ESOP Trust

3. Reserves and Surplus : (contd.)

Rupees crores

	2013	2012
(I) Foreign Currency Monetary Item Translation Difference Account :		
Balance as at the beginning of the year	(66.40)	—
Add :		
Arising on revaluation of long term monetary assets and liabilities (net).....	(56.34)	(76.55)
	(122.74)	(76.55)
Less :		
Amortisation during the year.....	28.23	10.15
Balance as at the end of the year.....	(94.51)	(66.40)
(J) Surplus in Statement of Profit and Loss :		
Balance as at the beginning of the year.....	7,904.54	6,208.54
Add :		
Profit for the year.....	3,352.82	2,878.89
	11,257.36	9,087.43
Less :		
(i) Transfer to Debenture Redemption Reserve.....	14.29	14.28
(ii) Transfer to General Reserve.....	400.00	300.00
(iii) Proposed Dividend [Rs. 13.00 per share (2012 : Rs. 12.50 per share)].....	798.17	767.48
(iv) Income-tax on Proposed Dividend	92.98	101.13
Balance as at the end of the year.....	9,951.92	7,904.54
Total Reserves and Surplus	14,363.76	11,810.17

- (K) The Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India requires that shares allotted to a trust but not transferred to employees be reduced from Share Capital and Reserves and Surplus. Accordingly, the Company has reduced the Share Capital by **Rs. 10.75 crores** (2012 : Rs. 11.07 crores) and Securities Premium Account by **Rs. 76.67 crores** (2012 : Rs. 78.25 crores) for the **2,15,05,260** shares of Rs. 5 each (2012 : 2,21,49,114 shares of Rs. 5 each) held by the trust pending transfer to the eligible employees.

The Share Capital of the Company has also been reduced and the General Reserve increased by **Rs. 1.08 crores** (2012 : Rs. 1.40 crores) for the **21,52,225** bonus shares of Rs. 5 each (2012 : 27,96,080 bonus shares of Rs. 5 each) issued by the Company in September, 2005 to the trust but not yet transferred by the trust to the employees.

The above monies which are treated as advance received from the Trust, is included under Other Current Liabilities and Other Long Term Liabilities.

4. Long Term Borrowings :

Rupees crores

	2013	2012
(A) Secured :		
Debentures/Bonds	266.67	400.01
	266.67	400.01
(B) Unsecured :		
(i) Term Loans from Banks	1,740.20	1,764.74
(ii) Fixed Deposits	47.93	14.82
(iii) Other Loans	1,117.64	994.26
	2,905.77	2,773.82
	3,172.44	3,173.83

(a) Secured Borrowings :

Debentures/Bonds include Secured Non-Convertible debentures carrying an interest rate of 11.95% for a period of seven years and are repayable in three equal annual installments commencing from December, 2013. These debentures are secured by tangible assets of the Company at certain locations including immovable items therein and by way of a first *pari-passu* charge on the movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future (save and except book debts) situated at certain locations of the Company.

(b) Unsecured Borrowings :

Term loans from banks comprise :

- (i) USD External Commercial Borrowings carrying an average margin of 157 basis points over three month USD Libor and are repayable after five years and one day from the date of respective availment of loan i.e. Rs. 814.20 crores in February, 2016, Rs. 542.80 crores in August, 2016 and Rs. 271.40 crores in September, 2016.
- (ii) JPY External Commercial Borrowings carrying an average margin of 39 basis points over six month JPY Libor is for a period of five years and one day. The loan is repayable in three equal annual installments from August, 2012. Rs. 111.80 is payable in August, 2014.

Fixed deposits are repayable three years from the date of deposit and carry an interest rate of 8.00% and 9.75%.

Other Loans comprise deferred sales tax loans which are interest free and repayable in five equal installments after ten years from the year of availment of respective loan. These loans are repayable :

Rupees crores

	2013	2012
(i) In the second year	23.53	12.41
(ii) In the third to fifth year	178.31	122.12
(iii) After five years	915.80	859.73
	1,117.64	994.26

(c) Current maturities in respect of long term borrowings have been included in Note 10 as under :

Rupees crores

	2013	2012
(i) Debentures/Bonds	133.33	—
(ii) Term Loans from Banks	111.80	338.74
(iii) Fixed Deposits	3.98	61.10
(iv) Other Loans	12.41	6.70
	261.52	406.54

5. Deferred Tax Liabilities (Net) :

The components of Deferred Tax Liabilities and Assets are as under :

	Rupees crores	
	2013	2012
Deferred Tax Liabilities :		
(i) On fiscal allowances on fixed assets.....	806.81	711.41
(ii) Others.....	47.31	16.05
	854.12	727.46
Deferred Tax Assets :		
(i) On provision for employee benefits.....	149.00	126.57
(ii) On provision for doubtful debts/advances.....	12.95	21.75
(iii) Loss on mark to market of hedging instruments	25.79	18.24
(iv) Others.....	51.53	33.77
	239.27	200.33
Net Deferred Tax Liabilities.....	614.85	527.13

6. Other Long Term Liabilities :

	Rupees crores	
	2013	2012
Trade Payables	35.57	38.45
Others	379.83	236.32
	415.40	274.77

Others include dealer deposits, advance from customers, payable for investments, gratuity payable and monies adjusted from share capital and reserves and surplus on account of shares held by ESOP Trust pending transfer to the eligible employees.

7. Long Term Provisions :

	Rupees crores	
	2013	2012
Provision for Employee Benefits.....	317.85	268.53
Provision for Warranty [Note 32]	123.74	94.96
	441.59	363.49

8. Short Term Borrowings :

	Rupees crores	
	2013	2012
(A) Secured :		
Loans and Advances on cash credit account from Banks.....	—	0.17
(B) Unsecured :		
Term Loan from Bank.....	54.28	—
Fixed Deposits	0.35	0.22
	54.63	0.39

(a) Secured Borrowings :

Loans and Advances on cash credit accounts from the Company's bankers are secured by a first charge on a *pari-passu* basis on the whole of the current assets of the Company namely inventories, book debts, outstanding monies, receivables, claims etc. both present and future.

(b) Unsecured Borrowings :

Term loan from bank is pre shipment credit carrying margin of 60 basis points over six month USD Libor and is repayable within a year from the date of availment of loan.

Fixed deposits are for a period of one year and carry an interest rate of 8.50%.

9. Trade Payables :

Rupees crores

	2013	2012
Acceptances.....	767.30	479.58
Trade Payables – Micro and Small enterprises.....	65.50	43.79
Trade Payables – Other than Micro and Small enterprises.....	4,746.91	4,212.98
	5,579.71	4,736.35

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period are given below :

Rupees crores

	2013	2012
(a) Dues remaining unpaid as at 31 st March		
Principal.....	15.28	16.88
Interest on the above	0.80	1.13
(b) Interest paid in terms of Section 16 of the Act, along with the amount of payment made to the supplier beyond the appointed day during the year		
Principal paid beyond the appointed date	238.97	159.54
Interest paid in terms of Section 16 of the Act	3.14	0.56
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	2.47	2.03
(d) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	0.19	0.17
(e) Amount of interest accrued and remaining unpaid as at 31 st March.....	3.46	3.33

10. Other Current Liabilities :

Rupees crores

	2013	2012
Current Maturities of Long Term Borrowings.....	261.52	406.54
Advance from Customers	215.07	311.90
Interest accrued but not due on borrowings	25.30	31.59
Dividend Payable.....	11.83	10.19
Unclaimed Matured Deposits.....	0.70	1.91
Others	537.75	464.57
	1,052.17	1,226.70

Others mainly include capital creditors, government dues and taxes payable, gratuity payable and salary deductions payable.

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund.

11. Short Term Provisions :

Rupees crores

	2013	2012
Provision for Employee Benefits.....	120.47	108.53
Provision for Warranty [Note 32]	196.65	175.45
Proposed Dividend.....	798.17	767.48
Provision for Tax on Proposed Dividend.....	92.98	101.13
Provision for Taxation.....	255.61	210.02
	1,463.88	1,362.61

12. Fixed Assets :**(A) Tangible Assets :**

Description of Assets	Rupees crores											
	Cost/ Professional valuation as at 31 st March, 2012	Additions during the year	Other adjustments during the year	Acquisition through business combination	Deductions and adjustments during the year	Cost/ Professional valuation as at 31 st March, 2013	Accumulated Depreciation upto 31 st March, 2012	Depreciation for 2012-2013	Accumulated Depreciation/ adjustment on Assets acquired through business combination	Deductions and adjustments of Depreciation	Accumulated Depreciation upto 31 st March, 2013	Net Balance as at 31 st March, 2013
Land – Freehold.....	141.45	0.01	—	—	2.19	139.27	—	—	—	—	—	139.27
	48.89	92.61	—	—	0.05	141.45	—	—	—	—	—	141.45
Land – Leasehold	63.34	—	—	—	—	63.34	5.02	0.67	—	—	5.69	57.65
	63.34	—	—	—	—	63.34	4.34	0.68	—	—	5.02	58.32
Buildings.....	1,161.51	184.54	4.26	—	11.82	1,338.49	222.93	33.78	—	3.51	253.20	1,085.29
	975.70	162.97	24.16	—	1.32	1,161.51	192.57	31.11	—	0.75	222.93	938.58
Plant and Equipment.....	5,468.74	927.85	76.57	—	119.04	6,354.12	2,833.59	461.64	—	101.88	3,193.35	3,160.77
	4,258.52	819.89	91.24	352.22	53.13	5,468.74	2,397.89	368.65	117.55	50.50	2,833.59	2,635.15
Office Equipment.....	65.12	9.47	0.02	—	5.10	69.51	25.54	5.10	—	3.77	26.87	42.64
	56.71	7.82	—	1.27	0.68	65.12	21.07	4.44	0.49	0.46	25.54	39.58
Furniture and Fixtures.....	142.63	14.73	—	—	9.20	148.16	66.82	8.71	—	6.02	69.51	78.65
	135.85	5.55	—	1.93	0.70	142.63	58.76	7.91	0.50	0.35	66.82	75.81
Aircraft	56.82	—	—	—	—	56.82	3.64	3.19	—	—	6.83	49.99
	56.82	—	—	—	—	56.82	0.45	3.19	—	—	3.64	53.18
Vehicles.....	189.10	61.16	—	—	23.81	226.45	78.56	28.17	—	17.08	89.65	136.80
	147.82	59.04	—	1.16	18.92	189.10	69.42	21.91	0.50	13.27	78.56	110.54
	7,288.71	1,197.76	80.85	—	171.16	8,396.16	3,236.10	541.26	—	132.26	3,645.10	4,751.06
	5,743.65	1,147.88	115.40	356.58	74.80	7,288.71	2,744.50	437.89	119.04	65.33	3,236.10	4,052.61

(B) Intangible Assets :

Description of Assets	Rupees crores											
	Cost/ Professional valuation as at 31 st March, 2012	Additions during the year	Other adjustments during the year	Acquisition through business combination	Deductions and adjustments during the year	Cost/ Professional valuation as at 31 st March, 2013	Accumulated Amortisation upto 31 st March, 2012	Amortisation for 2012-2013	Accumulated/ Amortisation/ adjustment on Assets acquired through business combination	Deductions and adjustments of Amortisation	Accumulated Amortisation upto 31 st March, 2013	Net Balance as at 31 st March, 2013
Technical Knowhow	102.41	—	—	—	98.07	4.34	100.28	0.88	—	98.07	3.09	1.25
	4.34	—	—	98.07	—	102.41	1.33	17.23	81.72	—	100.28	2.13
Development Expenditure	361.46	113.83	—	—	1.28	474.01	159.79	127.75	—	1.28	286.26	187.75
	138.78	221.40	—	1.28	—	361.46	74.48	84.27	1.04	—	159.79	201.67
Computer Software	112.89	21.84	—	—	3.46	131.27	75.95	40.98	—	3.46	113.47	17.80
	101.28	9.63	—	2.41	0.43	112.89	37.25	36.88	2.25	0.43	75.95	36.94
	576.76	135.67	—	—	102.81	609.62	336.02	169.61	—	102.81	402.82	206.80
	244.40	231.03	—	101.76	0.43	576.76	113.06	138.38	85.01	0.43	336.02	240.74

Notes :

- (a) Other adjustments during the year include difference in exchange and interest capitalised.
- (b) Buildings include **Rs. * crores** (2012 : Rs. * crores) being the value of shares in co-operative housing societies.
- (c) (i) The depreciation charge for the year excludes an amount of **Rs. 0.06 crores** (2012 : Rs. 0.13 crores), representing depreciation on the increase due to revaluation of Land and Buildings transferred from the Revaluation Reserve.
- (ii) The Revaluation Reserve is also adjusted for an amount of **Rs. 0.01 crores** (2012 : Rs. 0.14 crores) in respect of revalued Land and Buildings sold/demolished during the year.
- (iii) The net credit to the Statement of Profit and Loss consequent to the above adjustments to the Revaluation Reserve is **Rs. 0.07 crores** (2012 : Rs. 0.27 crores).

* denotes amounts less than Rs. 50,000
Current year figures are in bold.

13. (A) Non Current Investments :

	Face Value Per Unit (Rupees)	2013		2012	
		Long Term		Long Term	
		Number	Rupees crores	Number	Rupees crores
Investments (At Cost, unless otherwise specified) :					
Investments in Equity Instruments (Trade and fully paid-up unless otherwise specified) :					
Unquoted					
(i) In Subsidiary Companies					
Mahindra Engineering and Chemical Products Limited	10	3,59,98,462	311.82	2,79,98,462	231.82
Mahindra Intertrade Limited [including 1,50,00,000 shares partly paid-up Rs. 3 per share]	10	2,71,00,006	16.60	2,71,00,006	16.60
Mahindra USA Inc. + US \$ 0.10		14,00,00,000	66.37	14,00,00,000	66.37
Mahindra Gujarat Tractor Limited.....	10	16,83,218	3.55	16,83,218	3.55
Mahindra Shubhlabh Services Limited.....	10	49,12,400	5.08	49,12,400	5.08
Mahindra First Choice Wheels Limited +	10	3,47,77,255	47.44	3,47,77,255	47.44
Bristlecone Limited..... US \$ 0.001		42,22,250	19.26	42,22,250	19.26
Mahindra & Mahindra South Africa (Proprietary) Limited + ZAR 1		5,20,00,000	28.54	5,20,00,000	28.54
Mahindra Engineering Services Limited.....	10	81,26,218	59.96	81,26,218	59.96
Mahindra Overseas Investment Company (Mauritius) Limited..... + US \$ 1		8,16,63,925	387.11	6,84,84,000	314.62
Mahindra Gears & Transmissions Private Limited..... +	10	1,15,86,361	55.75	1,15,86,361	55.75
Mahindra Automobile Distributor Private Limited	10	7,40,000	0.31	7,40,000	0.31
Mahindra Navistar Automotives Limited..... +	10	1,14,79,25,600	893.91	40,84,72,100	410.44
Mahindra Vehicle Manufacturers Limited..... +	10	96,22,50,000	962.25	96,22,50,000	962.25
Mahindra Hinoday Industries Limited..... +	10	3,02,54,052	167.95	3,02,54,052	167.95
Mahindra Logistics Limited	10	5,76,99,900	57.70	5,76,99,900	57.70
Mahindra Navistar Engines Private Limited +	10	26,50,00,000	196.28	9,94,50,000	99.45
Mahindra Aerospace Private Limited..... +	10	9,75,15,249	180.48	6,45,91,000	116.15
Mahindra First Choice Services Limited	10	5,70,00,000	57.00	4,50,00,000	45.00
Mahindra Gears International Limited + EURO 1		2,07,00,001	137.82	2,07,00,001	137.82
Mahindra Holdings Limited.....	10	4,75,49,999	47.55	4,75,49,999	47.55
Mahindra Consulting Engineers Limited +	10	11,51,000	1.25	11,51,000	1.25
NBS International Limited	10	50,490	5.07	50,490	5.07
Mahindra Two Wheelers Limited	10	81,72,99,975	817.30	47,22,99,975	472.30
Mahindra Automotive Australia Pty. Limited AU \$1		45,75,000	21.16	23,75,000	8.77
Defence Land Systems India Private Limited	10	6,29,00,000	62.90	5,01,72,000	50.17
Mahindra Namaste Private Limited (Formerly known as Mahindra EcoNova Private Limited).....	10	10,000	0.01	10,000	0.01
Mahindra Reva Electric Vehicles Private Limited..... +	10	1,83,28,157	267.16	1,49,83,667	217.16
Mahindra Defence Naval Systems Private Limited	10	1,50,31,330	15.03	—	—
Mahindra Defence Systems Limited	10	23,79,900	2.38	—	—
			4,894.99		3,648.34
(ii) In Associate Companies					
Officemartindia.com Limited	10	7,49,997	0.22	7,49,997	0.22
Mahindra Construction Company Limited	10	9,00,000	0.97	9,00,000	0.97
Vayugrid Marketplace Services Private Limited.....	10	—	—	10,00,000	1.00
Mega One Stop Farm Services Limited	10	3,51,000	0.35	3,51,000	0.35
Mriyalguda Farm Solution Limited.....	10	3,37,500	0.34	3,37,500	0.34
Kota Farm Services Limited	10	2,73,420	0.27	2,73,420	0.27
Mahindra & Mahindra Contech Limited.....	10	35,000	0.04	35,000	0.04
PSL Media & Communications Limited	5	19,750	0.01	19,750	0.01
			2.20		3.20

13. (A) Non Current Investments : (contd.)

	Face Value Per Unit (Rupees)	2013		2012	
		Long Term		Long Term	
		Number	Rupees crores	Number	Rupees crores
(iii) In Joint Venture Company					
Mahindra Sona Limited.....	10	13,10,000	1.64	13,10,000	1.64
			1.64		1.64
(iv) In Other Companies (Non-trade and fully paid-up unless otherwise specified)					
Montreal Engineering International Limited.....	100	312	*	312	*
Machinery Manufacturers Corporation Limited..... +	10	8,55,646	0.94	8,55,646	0.94
Judricks (India) Private Limited.....	10	1,00,000	0.10	1,00,000	0.10
NTTF Industries Limited.....	10	75,000	0.15	75,000	0.15
Indian NGOs.com Private Limited.....	10	50,000	0.06	50,000	0.06
Sixth Sense Studios Private Limited	10	20,000	0.02	20,000	0.02
Utility Engineers (India) Limited.....	10	2,85,000	0.28	2,85,000	0.28
Business Standard Limited.....	10	5,00,000	0.09	5,00,000	0.09
New Tirupur Area Development Corporation Limited	+ 10	75,00,000	7.50	75,00,000	7.50
Triton Overwater Transport Agency Limited	10	4,98,000	0.58	4,98,000	0.58
Hadoti Krishi Vihar Private Limited.....	100	1,000	0.01	1,000	0.01
Harsolia Agri Sales and Services Private Limited	10	30,000	0.03	30,000	0.03
Yadgiri Farm Solutions Private Limited.....	100	200	*	200	*
Srinivasa Farm Solutions Private Limited.....	10	2,000	*	2,000	*
Farm Vision Agri-Tech Private Limited.....	10	15,180	0.01	15,180	0.01
Sowbhagya Krishi Vikas Private Limited.....	10	20,000	0.02	20,000	0.02
Bhuvu Care Private Limited.....	100	1,800	0.02	1,800	0.02
Richfield Crop Solutions India Private Limited.....	10	6,000	0.01	6,000	0.01
Covai Crop Care India Private Limited	10	6,000	0.01	6,000	0.01
Manjara Agri Tech Private Limited.....	10	8,000	0.01	8,000	0.01
Wardha Power Company Limited : Class 'A' Equity Shares (Trade Investment) +	10	19,45,867	1.95	19,45,867	1.95
Others @			*		*
			11.79		11.79
Quoted					
(i) In Subsidiary Companies					
Mahindra Lifespace Developers Limited.....	10	2,08,46,126	276.94	2,08,46,126	276.94
Mahindra & Mahindra Financial Services Limited (previous year face value per unit Rs. 10).....	2	29,12,07,660	150.91	5,82,41,532	150.91
Mahindra Forgings Limited	+ 10	4,88,25,609	854.15	4,88,25,609	854.15
Mahindra Ugine Steel Company Limited.....	+ 10	1,64,66,789	49.26	1,64,66,789	49.26
Mahindra Holidays & Resorts India Limited	+ 10	6,65,85,642	27.46	6,99,85,642	28.86
Ssangyong Motor Company (Listed on a Stock Exchange outside India)	KRW 5000	8,54,19,047	1,739.62	8,54,19,047	1,739.62
EPC Industrie Limited.....	10	1,51,44,433	77.75	65,77,865	43.48
Swaraj Automotives Limited	10	17,06,925	18.28	17,06,925	18.28
			3,194.37		3,161.50

* denotes amounts less than Rs. 50,000

13. (A) Non Current Investments : (contd.)

	Face Value Per Unit (Rupees)	2013		2012	
		Long Term		Long Term	
		Number	Rupees crores	Number	Rupees crores
(ii) In Associate Companies					
Swaraj Engines Limited.....	10	41,26,417	1.63	41,26,417	1.63
Mahindra Composites Limited.....	10	13,41,203	2.90	13,41,203	2.90
Tech Mahindra Limited.....	10	6,06,76,252	644.68		
			649.21		4.53
(iii) In Joint Venture Company					
Tech Mahindra Limited.....	10			6,06,76,252	644.68
					644.68
(iv) In Other Companies (Non-trade and fully paid-up)					
Jardine Henderson Limited	100	25	*	25	*
IDBI Bank Limited	10	2,85,440	2.29	2,85,440	2.29
			2.29		2.29
Investments in Equity Instruments.....			8,756.49		7,477.97
Investments in Preference Shares (Trade and fully paid-up unless otherwise specified) :					
Unquoted					
(i) In Subsidiary Companies					
Series 'A' Preference Shares : Bristlecone Limited.....	US \$ 0.001	70,00,000	31.72	70,00,000	31.72
Series 'B' Preference Shares : Bristlecone Limited.....	US \$ 0.001	69,20,000	15.13	69,20,000	15.13
Mahindra Gears International Limited	EURO 1	23,00,000	15.31	23,00,000	15.31
			62.16		62.16
(ii) In Associate Company					
10.00% Non-Cumulative Redeemable Participating Preference Shares : Mahindra Construction Company Limited	100	5,40,000	5.40	5,40,000	5.40
			5.40		5.40
(iii) In Other Companies (Non-trade and fully paid-up unless otherwise specified)					
4.00% Tax-free Cumulative Preference Shares : Machinery Manufacturers Corporation Limited	+ 100	2,296	0.02	2,296	0.02
11.00% Redeemable Preference Shares : Sixth Sense Studios Private Limited	100	1,78,000	1.78	1,78,000	1.78
8.00% Non Cumulative Redeemable Preferred Stock : Prana Holdings Inc. USA.....	+ 100	23,00,423	13.83	23,00,423	13.83
0.01% Class 'A' Redeemable Preference Shares : Wardha Power Company Limited (Trade Investment).....	+ 10	24,54,133	2.45	24,54,133	2.45
			18.08		18.08
Investments in Preference Shares			85.64		85.64

* denotes amounts less than Rs. 50,000

13. (A) Non Current Investments : (contd.)

	Face Value Per Unit (Rupees)	2013		2012	
		Long Term		Long Term	
		Number	Rupees crores	Number	Rupees crores
Investments in Government/Trust Securities :					
Unquoted, other than Trade					
(i) Government Securities					
6 Years National Savings Certificates.....		13,000^	*	13,000^	*
			*		*
(ii) Trust Securities					
Sunrise Initiatives Trust.....			103.12		99.04
M&M Benefit Trust.....			1,459.77		1,459.77
Mahindra World Motor Driving School Trust			0.01		0.01
M&M Fractional Entitlement Trust.....			0.01		0.01
			1,562.91		1,558.83
Investments in Government/Trust Securities.....			1,562.91		1,558.83
Investments in Debentures/Bonds (Trade and fully paid-up unless otherwise specified) :					
Unquoted					
(i) In Subsidiary Company					
7.00% Bond Ssangyong Motor Company.....	KRW 4,77,02,38,250	20	465.29	20	428.84
			465.29		428.84
(ii) In Associate Company					
6.00% Optionally Convertible Debentures Vayugrid Marketplace Services Private Limited	10	—	—	80,00,000	8.00
			—		8.00
(iii) In Other Company					
0.50% Bond The East India Clinic Limited (Non-trade Investment).....	100	13	*	13	*
			*		*
Investments in Debentures/Bonds			465.29		436.84
Total Non Current Investments (Gross)			10,870.33		9,559.28
Less : Provision for diminution in value of investments.....			(298.83)		(298.83)
Total Non Current Investments (Net).....			10,571.50		9,260.45
Other Disclosures					
(i) Aggregate amount of quoted investments (Gross)			3,845.87		3,813.00
Market Value of quoted investments includes Rs. 2,466.21 crores (2012 : Rs. 2,691.55 crores) in respect of investment listed on a Stock Exchange outside India.....			17,677.77		14,389.35
(ii) Aggregate amount of unquoted investments (Gross).....			7,024.46		5,746.28
Notes :					
@ Shares (unquoted) in other companies comprise :					
# The United Spices Importers Limited (Equity 'B' Shares).....	100	21	*	21	*
# Engineering & Metal Works, Tehran	Rials 16,667	74	*	74	*
			*		*

Written off to Re. 1

+ Equity investments in these companies carry certain restrictions on transfer of shares due to contractual or regulatory restrictions

[^] Total Face Value

* denotes amounts less than Rs. 50,000

13. (B) Current Investments (At Cost, unless otherwise specified) :

	Face Value Per Unit (Rupees)	2013		2012	
		Number	Rupees crores	Number	Rupees crores
Investments in Equity Instruments (Non-trade and fully paid-up) :					
Quoted					
In Other Company					
Power Trading Corporation of India Limited.....	10	900	*	900	*
Investments in Equity Instruments.....			*		*
Investments in Government Securities :					
Quoted					
Government of India Securities.....	1,92,70,000^	—	1.91	—	1.91
			1.91		1.91
Less : Adjustment of cost as lower than fair value, by category.....			(0.01)		(0.07)
Investments in Government Securities			1.90		1.84
Investments in Debentures/Bonds (Non-trade and fully paid-up) :					
Quoted					
(i) In Subsidiary Companies					
8.50% NCD Mahindra & Mahindra Financial Services Limited	10,00,000	—	—	250	25.00
			—		25.00
(ii) In Others					
6.85% Bond India Infrastructure Finance Company Limited	1,00,000	2,085	20.95	2,085	20.95
6.70% Bond Indian Railway Finance Corporation Limited	1,00,000	500	5.00	500	5.00
6.00% Bond Indian Railway Finance Corporation Limited.....	1,00,000	1,000	10.00	1,000	10.00
6.30% Bond Indian Railway Finance Corporation Limited.....	1,00,000	1,000	10.00	1,000	10.00
6.05% Bond Indian Railway Finance Corporation Limited.....	1,00,000	500	5.00	500	5.00
6.32% Bond Indian Railway Finance Corporation Limited.....	1,00,000	500	5.00	500	5.00
6.72% Bond Indian Railway Finance Corporation Limited	1,00,000	1,000	10.00	1,000	10.00
8.20% Bond National Highway Authority of India.....	1,000	1,23,619	12.37	1,23,619	12.37
7.75% Bond Rural Electrification Corporation Limited.....	10,00,000	—	—	50	5.00
			78.32		83.32
Less : Adjustment of cost as lower than fair value, by category			(0.09)		(1.87)
			78.23		81.45
Investments in Debentures/Bonds			78.23		106.45
Investments in Mutual Funds :					
Unquoted					
Axis Mutual Fund - Banking Debt Fund Daily Dividend - Reinvestment	1,000	251,320	25.16	—	—
Birla Sun Life Mutual Fund - Cash Plus - Daily Dividend - Reinvestment	100	1,07,51,355	107.72	—	—
Birla Sun Life Mutual Fund - Floating Rate Long Term - Daily Dividend - Regular Plan - Reinvestment.....	100	10,01,451	10.03	—	—
Canara Robeco Mutual Fund - Treasury Advantage Fund - Regular Daily Dividend - Reinvestment.....	1,000	81,783	10.14	—	—
Deutsche Mutual Fund - Ultra Short Term Fund- Institutional Plan - Daily Dividend- Reinvestment.....	10	1,01,19,020	10.14	—	—
DSP BlackRock Mutual Fund - Strategic Bond Fund - Institutional Plan - Daily Dividend - Reinvestment.....	1,000	1,02,076	10.28	—	—
Franklin Templeton Mutual Fund - India Ultra Short Bond Fund - Super Institutional Plan - Daily Dividend Reinvestment	10	1,01,23,811	10.15	—	—
* denotes amounts less than Rs. 50,000					

* denotes amounts less than Rs. 50,000

^ Total Face Value

13. (B) Current Investments (At Cost, unless otherwise specified) : (contd.)

	Face Value Per Unit (Rupees)	2013		2012	
		Number	Rupees crores	Number	Rupees crores
Franklin Templeton Mutual Fund - Templeton India Low Duration Fund - Quarterly Dividend Reinvestment	10	97,67,318	10.14	—	—
HDFC Mutual Fund - Liquid Fund - Dividend - Daily Reinvestment	10	9,81,59,421	100.10	—	—
HDFC Mutual Fund - Floating Rate Income Fund - Short Term Plan - Wholesale Option - Dividend Reinvestment - Daily	10	2,49,26,612	25.13	—	—
IDBI Mutual Fund - Ultra Short Term Fund - Daily Dividend - Reinvestment	1,000	1,00,235	10.03	—	—
JM Financial Mutual Fund - Floater Short Term Fund - Daily Dividend Option - Reinvestment	10	1,09,34,189	11.03	—	—
JM Financial Mutual Fund - Money Manager Fund - Super Plus Plan - Daily Dividend Option - Reinvestment	10	2,16,80,248	21.69	—	—
JPMorgan Mutual Fund - India Treasury Fund Super Institutional Daily Dividend Reinvestment	10	1,01,40,577	10.15	—	—
Kotak Mahindra Mutual Fund - Flexi Debt Scheme Plan A - Daily Dividend - Reinvestment	10	99,88,360	10.03	—	—
Kotak Mahindra Mutual Fund - Floater Long Term - Daily Dividend - Reinvestment	10	1,00,60,712	10.14	—	—
Kotak Mahindra Mutual Fund - Floater Long Term - Growth	10	53,83,551	10.00	—	—
L&T Mutual Fund - FMP - VII Dividend Payout	10	1,00,00,000	10.00	—	—
Prudential ICICI Mutual Fund - Floating Rate - Regular Plan - Daily Dividend - Reinvestment	100	10,12,598	10.14	—	—
Prudential ICICI Mutual Fund - Ultra Short Term - Regular Plan - Growth	10	84,91,127	10.00	—	—
Reliance Mutual Fund - Money Manager Fund - Daily Dividend Plan Dividend Reinvestment	1,000	1,00,639	10.08	—	—
Religare Mutual Fund - Short Term Fund - Daily Dividend - Reinvestment	10	2,55,71,122	25.59	—	—
Religare Mutual Fund - Ultra Short Term Fund - Daily Dividend - Reinvestment	1,000	2,51,834	25.23	—	—
SBI Mutual Fund - Magnum Income Fund FR Long Term - Regular Plan - Daily Dividend - Reinvestment	10	1,00,05,217	10.08	—	—
SBI Mutual Fund - Magnum Insta Cash Fund Liquid Floater - Regular Plan - Daily Dividend - Reinvestment	1,000	99,488	10.05	—	—
Sundaram Mutual Fund - Ultra Short - Term Fund Regular Daily DR	10	3,52,30,922	35.36	—	—
UTI Mutual Fund - Treasury Advantage Fund - Institutional Plan - Daily Dividend Reinvestment	1,000	1,01,489	10.15	—	—
UTI Mutual Fund - Floating Rate Fund - STP - Regular Plan - Direct Plan - Daily Dividend Reinvestment	1,000	2,33,624	25.16	—	—
Axis Mutual Fund - Liquid Fund Institutional Daily Dividend Reinvestment	1,000	—	—	1,00,014	10.00
Baroda Pioneer Mutual Fund - Liquid Fund Institutional Daily Dividend Plan	1,000	—	—	99,960	10.00
Birla Sun Life Mutual Fund - Cash Plus Institutional Premium Daily Dividend Reinvestment	100	—	—	11,48,038	11.50
BNP Paribas Mutual Fund Overnight Institutional Daily Dividend	10	—	—	2,19,55,987	21.96
Canara Robeco Mutual Fund - Liquid Super Institutional Daily Dividend Reinvestment Fund	1,000	—	—	99,499	10.01
Deutsche Mutual Fund - Insta Cash Plus Fund Super Institutional Plan Daily Dividend Reinvestment	100	—	—	9,97,211	10.00
JM Financial Mutual Fund - High Liquidity Fund Super Institutional Daily Dividend	10	—	—	3,00,79,283	30.13
JPMorgan Mutual Fund - India Liquid Fund Super Institutional Daily Dividend Plan Reinvestment	10	—	—	99,94,230	10.00
Kotak Mahindra Mutual Fund - Liquid (Institutional Premium) - Daily Dividend	10	—	—	1,22,70,339	15.00

13. (B) Current Investments (At Cost, unless otherwise specified) : (contd.)

	Face Value Per Unit (Rupees)	2013		2012	
		Number	Rupees crores	Number	Rupees crores
L&T Mutual Fund - Liquid Super Institutional Daily Dividend Reinvestment Plan	1,000	—	—	98,895	10.01
Principal Mutual Fund - Cash Management Fund - Dividend Plan Daily	1,000	—	—	1,00,038	10.00
Prudential ICICI Mutual Fund - Liquid Plan Super Institutional Plan Dividend Daily	100	—	—	47,35,798	47.37
Religare Mutual Fund - Liquid Fund - Super Institutional Daily Dividend	1,000	—	—	99,946	10.00
SBI Mutual Fund - Magnum Income Fund FR Saving Plus Bond Plan Daily Dividend.....	10	—	—	99,78,008	10.04
SBI Mutual Fund - Premier Liquid Fund Super Institutional Daily Dividend.....	1,000	—	—	2,73,572	27.45
Tata Mutual Fund - Liquidity Management Fund Daily Dividend	1,000	—	—	2,00,550	20.11
UTI Mutual Fund - Liquid Cash Plan Institutional Daily Income Option Reinvestment	1,000	—	—	1,47,208	15.01
Investments in Mutual Funds.....			583.90		278.59
Other Investments :					
Certificate of Deposits					
Unquoted					
Allahabad Bank.....	1,00,000	2,500	24.61	—	—
Andhra Bank	1,00,000	7,500	74.10	—	—
Axis Bank Limited.....	1,00,000	5,000	48.74	2,500	24.64
Bank of Baroda	1,00,000	7,500	69.80	—	—
Central Bank.....	1,00,000	5,000	46.43	—	—
Corporation Bank	1,00,000	5,000	47.58	2,500	24.36
HDFC Bank.....	1,00,000	2,500	23.92	—	—
Oriental Bank of Commerce.....	1,00,000	5,000	46.59	5,000	47.99
State Bank of Bikaner & Jaipur.....	1,00,000	7,500	71.72	—	—
State Bank of Hyderabad	1,00,000	5,000	49.88	5,000	47.11
State Bank of Travencore.....	1,00,000	5,000	46.85	—	—
Syndicate Bank.....	1,00,000	5,000	47.71	—	—
Bank of Mysore	1,00,000	—	—	7,500	73.03
Canara Bank	1,00,000	—	—	7,500	72.55
Federal Bank	1,00,000	—	—	2,500	24.37
ICICI Bank.....	1,00,000	—	—	5,000	48.04
IDBI Bank Limited	1,00,000	—	—	2,500	24.37
Indian Bank	1,00,000	—	—	2,500	24.37
Indian Overseas Bank	1,00,000	—	—	2,500	23.14
Punjab National Bank	1,00,000	—	—	10,000	95.64
State Bank of Patiala.....	1,00,000	—	—	7,500	71.75
UCO Bank.....	1,00,000	—	—	2,500	24.33
United Bank of India.....	1,00,000	—	—	2,500	24.33
Investments in Certificate of Deposits			597.93		650.02
Total Current Investments			1,261.96		1,036.90
Other Disclosures					
(i) Aggregate amount of quoted investments (Gross).....			80.23		110.23
Market Value of quoted investments.....			80.13		108.29
(ii) Aggregate amount of unquoted investments (Gross).....			1,181.83		928.61
(iii) Aggregate excess of cost over fair value, by category.....			0.10		1.94

14. Long Term Loans and Advances :

Rupees crores

		2013	2012
(A) Capital Advances :			
Unsecured, considered good	368.54		352.33
Doubtful.....	1.69		1.82
		370.23	354.15
Less : Provision for doubtful capital advances		1.69	1.82
		368.54	352.33
(B) Security Deposits :			
Unsecured, considered good	35.89		35.90
Doubtful.....	0.19		0.19
		36.08	36.09
Less : Provision for doubtful security deposits.....		0.19	0.19
		35.89	35.90
(C) Loans and Advances to Related Parties :			
Unsecured, considered good	237.12		11.17
Doubtful.....	10.00		10.00
		247.12	21.17
Less : Provision for doubtful loans and advances to related parties....		10.00	10.00
		237.12	11.17
(D) Other Loans and Advances :			
Unsecured, considered good	1,445.92		1,077.28
Doubtful.....	1.60		3.43
		1,447.52	1,080.71
Less : Provision for doubtful other loans and advances		1.60	3.43
		1,445.92	1,077.28
		2,087.47	1,476.68

(a) Long Term Loans and Advances to Related Parties include :

- (i) Share Application Money pending allotment **Rs. 27.17 crores** (2012 : Rs. Nil) to subsidiaries.
- (ii) Fixed/Call deposits with/loans to limited companies **Rs. 197.02 crores** (2012 : Rs. Nil) including **Rs. 197.02 crores** (2012 : Rs. Nil) to subsidiary companies.

(b) Other Loans and Advances includes :

- (i) Payment towards income-tax and surtax **Rs. 388.91 crores** (2012 : Rs. 321.71 crores).
- (ii) VAT receivable, other recoverable expenses and advances to employees.

15. Other Non-Current Assets :

Rupees crores

	2013	2012
(i) Hedging Instruments.....	—	2.40
(ii) Export Benefits Receivable	21.16	21.16
(iii) Others.....	8.69	12.89
	29.85	36.45

16. Inventories :

Rupees crores

	2013	2012
(i) Raw Materials and Bought-out Components [includes in transit Rs. 102.01 crores (2012 : Rs. 87.27 crores)].....	798.62	833.28
(ii) Work-in-Progress.....	80.69	99.20
(iii) Finished Products Produced	892.39	920.44
(iv) Stock-in-Trade [includes in transit Rs. 118.28 crores (2012 : Rs. 77.52 crores)].....	427.80	333.73
(v) Manufactured Components.....	144.44	104.80
(vi) Stores and Spares	39.03	32.86
(vii) Tools	36.80	34.08
	2,419.77	2,358.39

17. Trade Receivables :

Rupees crores

	2013	2012
(A) Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	65.80	52.32
Doubtful.....	67.17	77.27
	132.97	129.59
Less : Provision for doubtful trade receivables	67.17	77.27
	65.80	52.32
(B) Others – Unsecured, considered good.....	2,142.55	1,876.21
	2,208.35	1,928.53

18. Cash and Bank Balances :

Rupees crores

	2013	2012
(A) Cash and Cash Equivalents :		
Balances with Banks :		
(i) On Current Accounts	649.22	352.06
(ii) Fixed Deposits with original maturity less than 3 months.....	120.00	516.03
	769.22	868.09
Cheques, drafts on hand.....	394.03	267.64
Cash on hand	0.71	0.58
	1,163.96	1,136.31
(B) Other Bank Balances :		
Earmarked balances with banks	11.93	10.29
Balances with Banks :		
(i) On Margin Accounts	1.30	1.23
(ii) Fixed Deposits with original maturity greater than 3 months* ...	604.22	40.60
	605.52	41.83
	617.45	52.12
	1,781.41	1,188.43

* Includes deposits of Rs. 20.00 crores (2012 : Rs. Nil) with maturity greater than 12 months from Balance Sheet date

19. Short Term Loans and Advances :

Rupees crores

		2013	2012
(A) Loans and Advances to Related Parties :			
Unsecured, considered good	115.25		301.31
Doubtful.....	10.61		10.60
		125.86	311.91
Less : Provision for doubtful loans and advances to related parties....		10.61	10.60
		115.25	301.31
(B) Other Loans and Advances :			
Unsecured, considered good	648.15		629.68
Doubtful.....	31.14		32.41
		679.29	662.09
Less : Provision for doubtful other loans and advances		31.14	32.41
		648.15	629.68
		763.40	930.99

- (a) Loans and Advances to Related Parties includes Fixed/Call deposits with/loans to limited companies **Rs. 94.07 crores** (2012 : Rs. 283.47 crores) including **Rs. 89.48 crores** (2012 : Rs. 278.88 crores) to subsidiary companies.
- (b) Other Loans and Advances includes MAT Credit entitlement **Rs. 86.00 crores** (2012 : Rs. 165.23 crores).
- (c) Other Loans and Advances also include balances with government authorities, advance to suppliers, other recoverable expenses, deposits and prepaid expenses.

20. Other Current Assets :

Rupees crores

	2013	2012
Government Grant receivable.....	165.64	139.43
Interest accrued.....	65.91	70.08
Hedging Instruments	—	29.82
Other receivables including export benefits.....	281.35	230.09
	512.90	469.42
Considered Good.....	508.54	465.06
Doubtful.....	4.36	4.36
	512.90	469.42
Less :		
Provision for doubtful other current assets.....	4.36	4.36
	508.54	465.06

21. Revenue from Operations :

Rupees crores

		2013	2012
Sale of Products.....		42,502.27	33,531.33
Sale of Services		372.34	361.69
Gross revenue from Sale of Products and Services (Refer Note A below)...		42,874.61	33,893.02
Other Operating Revenues :			
(i) Scrap Sales	138.96		122.64
(ii) Government Grant and Incentives (including export benefits)	287.32		235.91
(iii) Others.....	111.76		96.61
		538.04	455.16
		43,412.65	34,348.18
Less : Excise Duty attributable to products sold.....		2,971.49	2,500.99
		40,441.16	31,847.19

(A) Details of Gross revenue from Sale of Products and Services :

Rupees crores

	2013	2012
Sale of Products :		
Manufactured Goods :		
(i) Vehicles – Four Wheelers.....	17,960.32	15,175.78
(ii) Vehicles – Three Wheelers.....	904.15	906.15
(iii) Tractors.....	10,131.91	10,015.83
(iv) Others.....	1,981.02	1,265.51
	30,977.40	27,363.27
Traded Goods :		
(i) Vehicles – Four Wheelers.....	9,325.03	4,373.53
(ii) Tractors and Agricultural Implements.....	101.23	115.35
(iii) Spares*.....	1,709.35	1,330.13
(iv) Others.....	389.26	349.05
	11,524.87	6,168.06
Sale of Products.....	42,502.27	33,531.33
Sale of Services :		
(i) Annual Maintenance Contracts.....	229.82	235.42
(ii) Manufacturing Charges.....	26.27	34.90
(iii) Others.....	116.25	91.37
Sale of Services.....	372.34	361.69
Gross revenue from Sale of Products and Services	42,874.61	33,893.02

* Sale of goods shown consists of purchased and manufactured spares. The bifurcation of sales into purchased and manufactured spares is not practicable.

22. Other Income :

Rupees crores

	2013	2012
(a) Interest Income		
(i) Interest – Long Term Investments	33.14	29.51
(ii) Interest – Current Investments.....	6.34	7.23
(iii) Interest – Others.....	97.72	72.45
	137.20	109.19
(b) Dividends on investments in subsidiaries.....	149.32	130.73
(c) Dividends on other long term investments	33.21	31.37
(d) Dividends on current investments	51.78	35.43
(e) Profit on sale of current investments (Net).....	62.62	34.76
(f) Profit on sale of tangible assets (Net).....	10.20	24.95
(g) Others.....	104.84	105.69
	549.17	472.12

23. Cost of Materials Consumed :

Rupees crores

	2013	2012
Opening Stock	833.28	783.79
Add : Purchases [including outside processing charges Rs. 471.93 crores (2012 : Rs. 457.31 crores)]	20,716.38	18,789.22
	21,549.66	19,573.01
Add/(Less) : Stock Transfer as per the Scheme of Arrangement/Business Transfer	(1.17)	64.79
Less : Closing Stock.....	798.62	833.28
	20,749.87	18,804.52

(A) Cost of Materials Consumed comprises the following :

Rupees crores

	2013	2012
(i) Steel Items, paints and other materials	915.84	853.20
(ii) Tyres and Tubes.....	1,384.52	1,494.62
(iii) Components other than Tyres and Tubes (including processing charges).....	17,807.91	15,797.84
(iv) Material handling and transportation charges etc. incurred on the above items not separately allocable	641.60	658.86
	20,749.87	18,804.52

(B) Value of Imported and Indigenous Raw Materials and Components Consumed^ :

Rupees crores

	2013	2012
(i) Imported	708.03	656.09
	3.41%	3.49%
(ii) Indigenous	20,041.84	18,148.43
	96.59%	96.51%
	20,749.87	18,804.52
	100.00%	100.00%

^ Includes items used for other than production, amount not ascertained.

24. Purchases of Stock-in-Trade :

Rupees crores

	2013	2012
(i) Vehicles - Four Wheelers.....	8,470.19	4,142.10
(ii) Tractors and Agricultural Implements	76.16	91.05
(iii) Spares	840.23	728.07
(iv) Others.....	366.10	331.36
	9,752.68	5,292.58

25. Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Manufactured Components :

Rupees crores

	2013	2012
Opening Stock :		
(i) Finished Products Produced.....	920.44	493.86
(ii) Work-in-Progress.....	99.20	82.14
(iii) Stock-in-Trade	333.73	167.41
(iv) Manufactured Components.....	104.80	108.19
	1,458.17	851.60
Add/(Less) : Stock Transfer as per the Scheme of Arrangement/Business Transfer		
(i) Finished Products Produced.....	—	8.67
(ii) Work-in-Progress.....	(0.16)	0.57
	(0.16)	9.24
Less : Closing Stock :		
(i) Finished Products Produced.....	892.39	920.44
(ii) Work-in-Progress.....	80.69	99.20
(iii) Stock-in-Trade	427.80	333.73
(iv) Manufactured Components.....	144.44	104.80
	1,545.32	1,458.17
Increase in Stock	(87.31)	(597.33)

Details of Opening and Closing Stock of Work-in-Progress :

Rupees crores

	2013	2012
Opening Stock :		
(i) Automotive.....	34.77	25.82
(ii) Farm Equipment.....	63.59	56.32
(iii) Others.....	0.84	—
	99.20	82.14
Closing Stock :		
(i) Automotive.....	29.88	34.77
(ii) Farm Equipment.....	50.81	63.59
(iii) Others.....	—	0.84
	80.69	99.20

26. Employee Benefits Expense :

Rupees crores

	2013	2012
Salaries, Wages, Bonus etc.	1,524.00	1,326.46
Contribution to Provident and other funds.....	123.03	143.06
Employee Stock Compensation Expense [Note 33]	67.06	97.97
Welfare	152.36	134.29
	1,866.45	1,701.78

27. Finance Costs :

Rupees crores

	2013	2012
Interest Expense	131.34	152.99
Discounting Charges	55.65	6.32
Other Borrowing Costs	4.20	3.44
	191.19	162.75

28. Depreciation and Amortisation Expense :

Rupees crores

	2013	2012
Depreciation on Tangible Assets	541.20	437.76
Amortisation on Intangible Assets.....	169.61	138.38
	710.81	576.14

29. Other Expenses :

Rupees crores

		2013	2012
Stores consumed.....		134.82	126.80
Tools consumed		37.90	35.04
Power and fuel		206.39	175.78
Rent including lease rentals		59.12	55.95
Rates and taxes		25.67	19.60
Insurance		26.45	21.63
Repairs and Maintenance :			
Buildings	24.38		24.51
Machinery	141.16		125.81
Others	79.21		65.39
		244.75	215.71
Advertisement		299.24	252.17
Service coupon.....		102.56	84.75
Freight outward.....		553.87	480.53
Sales promotion expenses		136.34	96.56
Dealer incentives		391.70	358.03
Miscellaneous expenses.....		1,294.09	1,010.64
Excise duty on increase/(decrease) of finished goods		9.28	17.44
Donations and contributions		26.27	21.81
Excess of carrying cost over fair value of current investments, reversed (Net)		(1.84)	(0.05)
Provision for doubtful debts/advances (Net)		(13.32)	(17.61)
		3,533.29	2,954.78

29. Other Expenses : (contd.)

- (a) Repairs and Maintenance to Machinery includes machinery spares consumed **Rs. 41.64 crores** (2012 : Rs. 42.47 crores) but does not include items included under Consumption of Raw Materials and Bought-out Components and amounts charged to salaries and wages (amounts not ascertained).

Value of Imported and Indigenous Spare Parts consumed is as follows :

	Rupees crores	
	2013	2012
(i) Imported	2.73	3.01
	6.56%	7.09%
(ii) Indigenous	38.91	39.46
	93.44%	92.91%
	41.64	42.47
	100.00%	100.00%

- (b) Miscellaneous Expenses include :

- (1) Amounts paid/payable to Auditors (Net of service tax where applicable) :

	Rupees crores	
	Statutory Auditors	Cost Auditors
(i) Audit Fees.....	1.80	0.14
	1.64	0.04
(ii) Taxation Matters.....	0.33	—
	0.11	—
(iii) Company Law Matters	*	—
	*	—
(iv) Other Services	1.01	0.01
	1.19	*
(v) Reimbursement of expenses.....	—	*
	0.03	*
	3.14	0.15
	2.97	0.04

* denotes amounts less than Rs. 50,000

Current year figures are in bold.

30. Interest capitalised during the year to capital work-in-progress **Rs. 8.24 crores** (2012 : Rs. 2.89 crores).

31. Employee Benefits :

General description of defined benefit plans :

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Post retirement medical

The Company provides post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Post retirement housing allowance

The Company operates a post retirement benefit scheme for a certain grade of employees in which a monthly allowance determined on the basis of the last drawn basic salary at the time of retirement, is paid to the retiring employee in lieu of housing.

Defined benefit plans – as per actuarial valuation on 31st March, 2013

Rupees crores

	Funded Plan		Unfunded Plans			
	Gratuity		Post retirement medical		Post retirement housing allowance	
	2013	2012	2013	2012	2013	2012
I. Expense recognised in the Statement of Profit and Loss for the year ended 31st March						
1. Current service cost.....	27.04	22.75	0.85	1.01	1.74	1.98
2. Interest cost	35.65	27.62	1.18	1.22	2.18	1.47
3. Expected return on plan assets	(23.95)	(19.46)	—	—	—	—
4. Actuarial (Gain)/Loss.....	10.05	12.71	0.03	(2.35)	3.60	5.97
5. Total expense included in Employee Benefits Expense	48.79	43.62	2.06	(0.12)	7.52	9.42
6. Actual return on plan assets.....	30.77	28.31	—	—	—	—
II. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March						
1. Present value of defined benefit obligation as at 31 st March	479.14	430.04	15.28	13.59	31.46	24.95
2. Fair value of plan assets as at 31 st March	352.82	326.66	—	—	—	—
3. Surplus/(Deficit).....	(126.32)	(103.38)	(15.28)	(13.59)	(31.46)	(24.95)
4. Current portion of the above	(18.47)	(25.71)	(0.50)	(0.46)	(1.01)	(1.00)
5. Non current portion of the above	(107.85)	(77.67)	(14.78)	(13.13)	(30.45)	(23.95)
III. Change in the obligation during the year ended 31st March						
1. Present value of defined benefit obligation at the beginning of the year	430.04	383.18	13.59	14.09	24.95	16.18
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer.....	(0.14)	0.23	—	—	—	—
3. Current service cost.....	27.04	22.75	0.85	1.01	1.74	1.98
4. Interest cost	35.65	27.62	1.18	1.22	2.18	1.47
5. Actuarial (Gain)/Loss.....	16.87	21.56	0.03	(2.35)	3.60	5.97
6. Benefit payments	(30.32)	(25.30)	(0.37)	(0.38)	(1.01)	(0.65)
7. Present value of defined benefit obligation at the end of the year	479.14	430.04	15.28	13.59	31.46	24.95
IV. Change in fair value of assets during the year ended 31st March						
1. Fair value of plan assets at the beginning of the year.....	326.66	293.80	—	—	—	—
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	—	0.07	—	—	—	—
3. Expected return on plan assets	23.95	19.46	—	—	—	—
4. Actuarial Gain/(Loss).....	6.82	8.85	—	—	—	—
5. Contributions by employer (including benefit payments recoverable)	25.71	29.78	0.37	0.38	1.01	0.65
6. Benefit payments	(30.32)	(25.30)	(0.37)	(0.38)	(1.01)	(0.65)
7. Fair value of plan assets at the end of the year.....	352.82	326.66	—	—	—	—
8. Actual return on plan assets.....	30.77	28.31	—	—	—	—
V. The Major categories of plan assets as percentage of total plan						
Insurer managed funds*.....	100.00%	100.00%	—	—	—	—
VI. Actuarial assumptions						
1. Discount rate.....	8.00%	8.30%	8.00%	8.30%	8.00%	8.30%
2. Expected rate of return on plan assets	7.50%	7.50%	—	—	—	—
3. Attrition rate.....	7.00%	7.00%	7.00%	7.00%	—	—
4. Medical premium inflation.....	—	—	7.00%	7.00%	—	—

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

Rupees crores

VII. Effect of one percentage point change in the assumed medical inflation rate		One percentage point increase in medical inflation rate		One percentage point decrease in medical inflation rate		
		2013	2012	2013	2012	
1.	Effect on the aggregate service and interest cost of post employment medical benefits	0.37	0.34	(0.31)	(0.28)	
2.	Effect on the accumulated post employment medical benefits obligation	2.07	1.89	(1.82)	(1.59)	
VIII. Experience Adjustments		Period Ended				
		2013	2012	2011	2010	2009
		Gratuity				
1.	Defined Benefit Obligation.....	479.14	430.04	383.18	334.20	300.61
2.	Fair value of plan assets	352.82	326.66	293.80	266.10	206.14
3.	Surplus/(Deficit)	(126.32)	(103.38)	(89.38)	(68.10)	(94.47)
4.	Experience adjustment on plan liabilities [(Gain)/Loss].....	6.82	19.64	16.23	7.93	5.87
5.	Experience adjustment on plan assets [Gain/(Loss)].....	6.82	8.85	4.43	4.44	—
		Post retirement medical				
1.	Defined Benefit Obligation.....	15.28	13.59	14.09	9.65	4.84
2.	Plan assets	—	—	—	—	—
3.	Surplus/(Deficit)	(15.28)	(13.59)	(14.09)	(9.65)	(4.84)
4.	Experience adjustment on plan liabilities [(Gain)/Loss].....	(0.60)	(0.16)	(0.36)	5.21	1.24
		Post retirement housing allowance				
1.	Defined Benefit Obligation.....	31.46	24.95	16.18	10.99	—
2.	Plan assets	—	—	—	—	—
3.	Surplus/(Deficit)	(31.46)	(24.95)	(16.18)	(10.99)	—
4.	Experience adjustment on plan liabilities [(Gain)/Loss].....	2.55	6.28	(1.41)	0.15	—

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company's contribution to Provident Fund and Superannuation Fund aggregating **Rs. 73.28 crores** (2012 : Rs. 98.09 crores) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

32. Provisions :

- (a) Provision for warranties relate to warranty provision made in respect of sale of certain products, the estimated cost of which is accrued at the time of sale. The products are generally covered under a free warranty period ranging from 6 months to 3 years.
- (b) The movement in provisions for warranty is as follows :

	Rupees crores	
	2013	2012
Balance as at 1 st April.....	270.41	210.90
Add/(Less) on account of Scheme of Arrangement/Business Transfer	(0.14)	10.62
Add : Provision made during the year.....	266.46	178.04
Less : Utilisation during the year.....	216.34	129.15
Balance as at 31 st March	320.39	270.41
Out of the above,		
Classified as Non Current	123.74	94.96
Classified as Current.....	196.65	175.45
	320.39	270.41

33. The Company has allotted 55,24,219 Ordinary (Equity) Shares of Rs. 10 each, 10,00,000 Ordinary (Equity) Shares of Rs. 10 each and 1,73,53,034 Ordinary (Equity) Shares of Rs. 5 each in the years ended 31st March, 2002, 31st March, 2010 and 31st March, 2011 respectively to the Mahindra & Mahindra Employees' Stock Option Trust set up by the Company. The trust holds these shares for the benefit of the employees and issues them to the eligible employees as per the recommendation of the Compensation Committee.

Options granted under Mahindra & Mahindra Limited Employees Stock Option Scheme - 2000 ("2000 Scheme") vest in 4 equal installments on the expiry of 12 Months, 24 Months, 36 Months and 48 Months from the date of grant. The options may be exercised on any day over a period of five years from the date of vesting. Number of vested options exercisable is subject to a minimum of 50 or number of options vested whichever is lower.

Options granted under Mahindra & Mahindra Limited Employees Stock Option Scheme - 2010 ("2010 Scheme") vest in 5 equal installments on the expiry of 12 Months, 24 Months, 36 Months, 48 Months and 60 Months from the date of grant. The options may be exercised on any day over a period of 6 Months from the date of vesting. Number of vested options exercisable is subject to a minimum of 50 or number of options vested whichever is lower.

The compensation costs of stock options granted to employees are accounted by the Company using the intrinsic value method.

Summary of stock options

	No. of stock options	Weighted average exercise price (Rs.)
Options outstanding on 1 st April, 2012.....	79,47,159	176.29
Options granted during the year	5,85,094	27.46
Options forfeited/lapsed during the year.....	2,77,543	138.03
Options exercised during the year	19,14,130	200.90
Options outstanding on 31 st March, 2013	63,40,580	156.80
Options vested but not exercised on 31 st March, 2013	33,65,333	272.13

Average share price on the date of exercise of the options are as under

Date of exercise	Weighted average share price (Rs.)
20 th April, 2012 - 22 nd March, 2013	826.50

Information in respect of options outstanding as at 31st March, 2013

<u>Range of exercise price</u>	<u>Number of options</u>	<u>Weighted average remaining life</u>
Rs. 5.00	32,11,589	2.28 Years
Rs. 250.00	15,19,023	4.11 Years
Rs. 308.00 – Rs. 310.00.....	1,80,384	2.27 Years
Rs. 381.00	10,16,235	2.67 Years
Rs. 362.00	3,93,349	4.67 Years
Rs. 662.00	20,000	6.98 Years

The fair value of options granted during the year on 25th September, 2012 is Rs. 419.07 per share and for the option granted on 30th November, 2012 is Rs. 889.03 per share.

The fair value has been calculated using the Black Scholes Options Pricing Model and the significant assumptions made in this regard are as follows :

	<u>Grant dated 25th September, 2012</u>	<u>Grant dated 30th November, 2012</u>
Risk free interest rate	8.12%	8.11%
Expected life	5 Years	3.25 Years
Expected volatility.....	42.73%	35.94%
Expected dividend yield	1.82%	1.82%
Exercise Price (Rs.).....	662.00	5.00
Stock Price (Rs.)	846.05	947.00

In respect of Options granted under the Employee Stock Option Plan, in accordance with guidelines issued by SEBI, the accounting value of the options is accounted as deferred employee compensation, which is amortised on a straight line basis over the period between the date of grant of options and eligible dates for conversion into equity shares. Consequently, salaries, wages, bonus etc. includes **Rs. 67.06 crores** (2012 : Rs. 97.97 crores) being the amortisation of deferred employee compensation, after adjusting for reversals on account of options lapsed. The amount excludes **Rs. 2.31 crores** charged to its subsidiaries for options issued to their employees.

Had the Company adopted fair value method in respect of options granted on or after 1st April, 2005, the employee compensation cost would have been lower by **Rs. 5.70 crores**, Profit after tax higher by **Rs. 5.70 crores** and the basic and diluted earnings per share would have been higher by **Rs. 0.10 & Rs. 0.09** respectively.

34. Contingent Liability & Commitments :

(A) Contingent Liability :

(a) Guarantees given by the Company :

	Rupees crores			
	Amount of guarantees		Outstanding amounts against guarantees	
	2013	2012	2013	2012
For other companies	87.20	171.98	80.35	166.83

(b) Claims against the Company not acknowledged as debts comprise of :

- Excise Duty, Sales Tax and Service Tax claims disputed by the Company relating to issues of applicability and classification aggregating **Rs. 1,526.09 crores** before tax (2012 : Rs. 1,464.96 crores before tax).
- Other matters (excluding claims where amounts are not ascertainable) : **Rs. 26.94 crores** before tax (2012 : Rs. 21.36 crores before tax).

(c) Taxation matters :

- Demands against the Company not acknowledged as debts and not provided for, relating to issues of deductibility and taxability in respect of which the Company is in appeal and exclusive of the effect of similar matters in respect of assessments remaining to be completed :
 - Income-tax : **Rs. 195.74 crores** (2012 : Rs. 319.29 crores).

- (ii) Items in respect of which the Company has succeeded in appeal, but the Income-tax Department is pursuing/likely to pursue in appeal/reference and exclusive of the effect of similar matters in respect of assessments remaining to be completed :
 - Income-tax matters : **Rs. 118.75 crores** (2012 : Rs. 70.98 crores).
 - Surtax matters : **Rs. 0.13 crores** (2012 : Rs. 0.13 crores).
- (d) Bills discounted not matured **Rs. 57.56 crores** (2012 : Rs. Nil).

- (e) The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) by its order dated 7th December, 2009 has rejected the Company's appeal against the order dated 30th March, 2005 passed by the Commissioner of Central Excise (Adjudication), Navi Mumbai confirming the demand made on the Company for payment of differential excise duty (including penalty) of Rs. 304.10 crores in connection with the classification of Company's Commander range of vehicles, during the years 1991 to 1996. Whilst the Company had classified the Commander range of vehicles as 10-seater attracting a lower rate of excise duty, the Commissioner of Central Excise (Adjudication), Navi Mumbai, has held that these vehicles could not be classified as 10-seater as they did not fulfil the requirement of 10-seater vehicles, as provided under the Motor Vehicles Act, 1988 (MVA) and Maharashtra Motor Vehicles Rules, 1989 (MMVR) and as such attracted a higher rate of excise duty.

In earlier collateral proceedings on this issue, the CESTAT had by an order dated 19th July, 2005 settled the controversy in the Company's favour. The CESTAT had accepted the Company's submission that MVA and MMVR could not be referred to for determining the classification for the purpose of levy of excise duty and rejected the Department's appeal against the order of the Collector, Central Excise classifying the Commander range of vehicles as 10-seater. While the Department's appeal against the CESTAT order dated 19th July, 2005 has been admitted, the Supreme Court of India has not stayed the operation of this order.

The Company has filed an appeal in the Supreme Court against the aforesaid order dated 7th December, 2009 *inter alia*, on the grounds that the MVA and MMVR cannot be referred to for the purpose of determining the excise classification, as has been repeatedly held by various judicial fora, including the Supreme Court and particularly by CESTAT vide its order dated 19th July, 2005 in the Company's own case referred to above.

Without prejudice to the grounds raised in this appeal, the Company has paid an amount of Rs. 40.00 crores in January, 2010. The Supreme Court has admitted the Company's appeal and has stayed the recovery of the balance amount till further orders.

In another case relating to Armada range of vehicles manufactured during the years 1992 to 1996, by the Company at its Nashik facility, the Commissioner of Central Excise, Nashik passed an order dated 20th March, 2006 confirming a demand of Rs. 24.75 crores, on the same grounds as adopted for Commander range of vehicles. The CESTAT has given an unconditional stay against this order. The final hearing in this matter has been adjourned till the disposal of the appeal by the Supreme Court in the matter relating to Commander range of vehicles.

The Company strongly believes, based on legal advice it has received, that the CESTAT order dated 7th December, 2009 which is under appeal in the Supreme Court is not sustainable in law. As such, the Company does not expect any liability on this account. However, in view of the CESTAT order, the Company has reflected the above amount aggregating **Rs. 328.85 crores** (2012 : Rs. 328.85 crores) and the interest of **Rs. 269.24 crores** (2012 : Rs. 233.13 crores) accrued on the same upto 31st March, 2013, under Note (b)(i) above.

(B) Commitments :

- (a) Uncalled liability on equity shares partly paid **Rs. 10.50 crores** (2012 : Rs. 10.50 crores).
- (b) The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2013 is **Rs. 716.91 crores** (2012 : Rs. 590.44 crores).

35. Research and Development expenditure :

- (a) In recognised Research and Development units :
 - (i) Debited to the Statement of Profit and Loss, including certain expenditure based on allocations made by the Company, aggregate **Rs. 594.43 crores** (2012 : Rs. 430.34 crores) [excluding depreciation and amortisation of **Rs. 191.86 crores** (2012 : Rs. 130.32 crores)].
 - (ii) Development expenditure incurred during the year **Rs. 274.02 crores** (2012 : Rs. 257.47 crores).
 - (iii) Capitalisation of assets **Rs. 190.54 crores** (2012 : Rs. 209.99 crores).
- (b) In other units :
 - (i) Debited to the Statement of Profit and Loss, including certain expenditure based on allocations made by the Company, aggregate **Rs. 16.33 crores** (2012 : Rs. 30.49 crores) [excluding depreciation and amortisation of **Rs. 6.91 crores** (2012 : Rs. 6.41 crores)].
 - (ii) Development expenditure incurred during the year **Rs. Nil** (2012 : Rs. 0.04 crores).
 - (iii) Capitalisation of assets **Rs. 0.34 crores** (2012 : Rs. 4.12 crores).

- 36. The net difference in foreign exchange loss debited to the Statement of Profit and Loss is **Rs. 6.99 crores** (2012 : gain of Rs. 16.31 crores).

37. Scheme of Arrangement :

Pursuant to the Scheme of Arrangement (the Scheme) as approved by the shareholders of the Company and subsequently sanctioned by Honourable High Court of Bombay vide its order dated 30th March, 2012, the entire assets and liabilities, duties and obligations of the Automotive business of Mahindra Automobile Distributor Private Limited (MADPL) was transferred to and vested in the Company, from 1st April, 2011 (the appointed date). The Scheme became effective on 23rd April, 2012. The Scheme has been given effect to in the financial statements for the year ended 31st March, 2012.

As a result, in the financial statements as at, and for the year ended 31st March, 2012 :

- The debit balance in the Statement of Profit and Loss of Automotive business of MADPL of Rs. 207.52 crores was transferred to General Reserve.
- The excess of the value of the net liabilities of the Automotive business of MADPL, over the face value of the 5,917 Ordinary (Equity) shares allotted, amounting to Rs. 1.37 crores was debited to Capital Reserve. The shares were allotted in May 2012.
- Replenished the Investment Fluctuation Reserve to the extent of Rs. 113.93 crores (based on the charge to Investment Fluctuation Reserve taken in earlier years on the investment by the Company in MADPL).
- Provided Rs. 95.24 crores for depreciation for the years 2010 and 2011 not provided by MADPL in its financial statements.
- Transferred Rs. 108.27 crores to the Statement of Profit and Loss and disclosed the same as an exceptional item.

The result for the year ended 31st March, 2012 also include a tax saving of Rs. 148.53 crores arising from the carry forward unabsorbed past losses and deferred tax positions of the Automotive business of MADPL.

38. Exceptional item of Rs. 90.62 crores (2012 : Rs. 108.27 crores) comprise :

- Profit on sale of certain long term investments **Rs. 90.62 crores** (2012 : Rs. Nil).
- Reversal of Impairment loss taken over, as per the Scheme of Arrangement **Rs. Nil** (2012 : Rs. 108.27 crores).

39. Earnings per Share :

	2013	2012
Profit for the year (Rupees crores).....	3,352.82	2,878.89
Profit for the year for diluted earnings per share (Rupees crores).....	3,352.82	2,878.89
Weighted average number of Ordinary (Equity) Shares used in computing basic earnings per share	58,97,55,261	58,79,20,003
Effect of potential Ordinary (Equity) Shares on conversion of bonds and employee stock options..	2,42,30,839	2,60,66,097
Weighted average number of Ordinary (Equity) Shares used in computing diluted earnings per share	61,39,86,100	61,39,86,100
Basic Earnings per share (Rs.) (Face value of Rs. 5 per share)	56.85	48.97
Diluted Earnings per share (Rs.)	54.61	46.89

40. The outstanding derivative instruments and unhedged foreign currency exposures as on 31st March, 2013 :

The Company has taken foreign exchange contracts to sell **US \$ 24.00 crores** (2012 : US \$ 13.00 crores) comprising Forward Contracts **US \$ 24.00 crores** (2012 : US \$ 11.40 crores), Plain Vanilla Put Options **US \$ Nil** (2012 : US \$ 0.70 crores) and derivative structures in the form of 'strips' - **US \$ Nil** (2012 : US \$ 0.90 crores).

The foreign currency exposures not hedged by derivative instruments or otherwise as on 31st March, 2013 are – Receivables of **ZAR 3.80 crores**, **US \$ 2.81 crores**, **AUD 0.80 crores**, **GBP 0.24 crores**, **AED 0.02 crores** and Payables (excluding Borrowings, covered in the paragraph below) of **JPY 4.83 crores**, **EUR 1.20 crores**, **SEK 0.06 crores**, **CHF * crores**, **SGD * crores** (2012 : ZAR 5.88 crores, US \$ 3.42 crores, AUD 0.49 crores, GBP 0.35 crores, AED 0.05 crores and Payables of JPY 5.43 crores, EUR 0.64 crores, RMB 0.15 crores, SEK 0.04 crores, CHF * crores, SGD * crores).

In addition the Company has outstanding foreign currency borrowings of **JPY 388.20 crores** and **US \$ 30.00 crores** (2012 : JPY 994.21 crores and US \$ 30.00 crores). The borrowing of **JPY 388.20 crores** (2012 : JPY 582.30 crores) has been fixed to US \$ 3.33 crores using a cross currency swap and the borrowing of **JPY Nil** (2012 : JPY 411.91 crores) has been fixed to INR liability using a cross currency swap. Currency risk of US \$ liability has not been hedged. The US \$ interest rate risk has been hedged using an interest rate swap. Company has also availed Packing Credit amounting to **US \$ 1.00 crore** (2012 : US \$ Nil) during the year, the same has been hedged by taking forward cover of **US \$ 1.00 crore** (2012 : US \$ Nil).

During the financial year ended 31st March, 2011, the Company had subscribed to bonds issued by Ssangyong Motor Company amounting to KRW 9,540.48 crores. The Company has hedged the foreign currency risk of the bond (including interest) using suitable forwards.

* denotes amounts less than 50,000 of respective currency

41. Related Party Disclosures :

(a) Related parties where control exists :

(i) Subsidiaries :

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1.	Mahindra Engineering and Chemical Products Limited	49.	Mahindra Forgings International Limited
2.	Mahindra Steel Service Centre Limited	50.	Mahindra Forgings Europe AG
3.	Mahindra First Choice Wheels Limited	51.	Gesensschmiede Schneider GmbH
4.	Mahindra USA Inc.	52.	JECO-Jellinghaus GmbH
5.	Mahindra Gujarat Tractor Limited	53.	Falkenroth Umformtechnik GmbH
6.	Mahindra Shubhlabh Services Limited	54.	Stokes Group Limited
7.	Mahindra & Mahindra South Africa (Proprietary) Limited	55.	Jensand Limited (upto 26 th March, 2013)
8.	Mahindra Engineering Services Limited	56.	Stokes Forgings Dudley Limited
9.	Mahindra Gears & Transmissions Private Limited	57.	Stokes Forgings Limited
10.	Mahindra Overseas Investment Company (Mauritius) Limited	58.	Mahindra Forgings Global Limited
11.	Mahindra Europe S.r.l.	59.	Schöneweiss & Co. GmbH
12.	Mahindra (China) Tractor Company Limited (upto 5 th September, 2012)	60.	Mahindra Hinoday Industries Limited
13.	Mahindra-BT Investment Company (Mauritius) Limited	61.	Mahindra Navistar Engines Private Limited
14.	Mahindra Intertrade Limited	62.	Mahindra Aerospace Private Limited
15.	Mahindra MiddleEast Electrical Steel Service Centre (FZC)	63.	Heritage Bird (M) Sdn.Bhd.
16.	Mahindra Consulting Engineers Limited	64.	Mahindra First Choice Services Limited
17.	Mahindra Holidays & Resorts India Limited	65.	Mahindra Graphic Research Design S.r.l.
18.	Mahindra Holidays and Resorts USA Inc.	66.	Mahindra Gears International Limited
19.	MHR Hotel Management GmbH	67.	Mahindra Gears Global Limited
20.	Mahindra Hotels and Residences India Limited	68.	Mahindra Gears Cyprus Limited
21.	Mahindra Holdings Limited	69.	Metalcastello S.p.A.
22.	NBS International Limited	70.	Mahindra Bebanco Developers Limited
23.	Mahindra Ugine Steel Company Limited	71.	Industrial Township (Maharashtra) Limited
24.	Mahindra & Mahindra Financial Services Limited	72.	Crest Geartech Private Limited
25.	Mahindra Insurance Brokers Limited	73.	Mahindra Business & Consulting Services Private Limited
26.	Mahindra Rural Housing Finance Limited	74.	Mahindra Two Wheelers Limited
27.	Bristlecone Limited	75.	Mahindra Automotive Australia Pty. Limited
28.	Bristlecone Inc.	76.	Mahindra United Football Club Private Limited
29.	Bristlecone UK Limited	77.	Defence Land Systems India Private Limited
30.	Bristlecone India Limited	78.	Mahindra Yueda (Yancheng) Tractor Company Limited
31.	Bristlecone (Singapore) Pte. Limited	79.	Mahindra Electrical Steel Private Limited
32.	Bristlecone GmbH	80.	Raigad Industrial & Business Park Limited
33.	Bristlecone (Malaysia) Sdn.Bhd.	81.	Retail Initiative Holdings Limited
34.	Mahindra Automobile Distributor Private Limited	82.	Mahindra Retail Private Limited
35.	Mahindra Navistar Automotives Limited	83.	Mahindra Technologies Services Inc.
36.	Mahindra Engineering Services (Europe) Limited	84.	Mahindra Punjab Tractors Private Limited
37.	Mahindra Engineering GmbH	85.	Mahindra Namaste Private Limited (formerly known as Mahindra EcoNova Private Limited)
38.	Mahindra Lifespace Developers Limited	86.	Mahindra Conveyor Systems Private Limited
39.	Mahindra Infrastructure Developers Limited	87.	BAH Hotelanlagen AG
40.	Mahindra World City (Jaipur) Limited	88.	Mahindra Aerospace Australia Pty. Limited
41.	Mahindra Integrated Township Limited	89.	Aerostaff Australia Pty. Limited
42.	Mahindra Residential Developers Limited	90.	Mahindra Reva Electric Vehicles Private Limited
43.	Mahindra World City Developers Limited	91.	Bristlecone Consulting Limited
44.	Mahindra World City (Maharashtra) Limited	92.	Anthurium Developers Limited
45.	Knowledge Township Limited	93.	Watsonia Developers Limited
46.	Mahindra Vehicle Manufacturers Limited	94.	Gipp Aero Investments Pty. Limited
47.	Mahindra Logistics Limited	95.	Gippsaero Pty. Limited
48.	Mahindra Forgings Limited	96.	GA8 Airvan Pty. Limited

41. Related Party Disclosures : (contd.)

Sl. No.	Name of the Company	Sl. No.	Name of the Company
97.	GA200 Pty. Limited	112.	Bell Tower Resorts Private Limited
98.	Airvan Flight Services Pty. Limited	113.	Mahindra Racing S.r.l.
99.	Nomad TC Pty. Limited	114.	Swaraj Automotives Limited
100.	Mahindra Emirates Vehicle Armouring FZ-LLC	115.	Mahindra Defence Naval Systems Private Limited (w.e.f. 18 th May, 2012)
101.	Mahindra Integrated Business Solutions Private Limited (formerly known as Mahindra BPO Services Private Limited)	116.	Mahindra Defence Systems Limited (w.e.f. 30 th July, 2012)
102.	Mahindra Aerostructures Private Limited	117.	Divine Heritage Hotels Private Limited (w.e.f. 9 th August, 2012)
103.	Ssangyong Motor Company	118.	Gables Promoters Private Limited (w.e.f. 24 th August, 2012)
104.	Ssangyong European Parts Center B.V.	119.	Jiangxi Mahindra Yueda Tractor Company Limited (w.e.f. 5 th September, 2012)
105.	Ssangyong Motor (Shanghai) Company Limited	120.	2 X 2 Logistics Private Limited (w.e.f. 22 nd October, 2012)
106.	Ssangyong (Yizheng) Auto Parts Manufacturing Company Limited	121.	Holiday on Hills Resorts Private Limited (w.e.f. 25 th October, 2012)
107.	Mahindra EPC Services Private Limited	122.	MH Boutique Hospitality Limited (w.e.f. 2 nd November, 2012)
108.	Bristlecone International AG	123.	Infinity Hospitality Group Company Limited (w.e.f. 5 th November, 2012)
109.	EPC Industrie Limited	124.	Mahindra Tractor Assembly Inc. (w.e.f. 25 th January, 2013)
110.	Mahindra Telecommunications Investment Private Limited	125.	Mahindra Housing Private Limited (w.e.f. 29 th March, 2013)
111.	Mahindra Sanyo Special Steel Private Limited (formerly known as Navyug Special Steel Private Limited)		

(b) Other parties with whom transactions have taken place during the year.

(i) Associates :

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1.	Mahindra Composites Limited	4.	Vayugrid Marketplace Services Private Limited
2.	Swaraj Engines Limited	5.	Tech Mahindra Limited (w.e.f. 31 st August, 2012)
3.	Mahindra & Mahindra Contech Limited		

(ii) Joint Venture :

Sl. No.	Name of the Company
1.	Tech Mahindra Limited (upto 30 th August, 2012)
2.	Mahindra Sona Limited

(iii) Joint Venture of a Subsidiary :

Sl. No.	Name of the Company
1.	Mahindra Solar One Private Limited
2.	Mahindra Water Utilities Limited

(iv) Key Management Personnel :

Chairman and Managing Director.....	Mr. Anand Mahindra
Executive Director and Group CFO	Mr. B. N. Doshi

(v) Welfare Funds :

Sl. No.	Name of the Fund
1.	M&M Benefit Trust
2.	M&M Employees' Welfare Fund
3.	M&M Employees' Farm Equipment Sector Employees' Welfare Fund
4.	Mahindra World School Education Trust

(c) The related party transactions are as under :

						Rupees crores
Sl. No.	Nature of Transactions	Subsidiaries	Associate Companies	Joint Ventures/ Joint Ventures of a Subsidiary	Key Management Personnel	Welfare Funds
1.	Purchases :					
	Goods.....	10,551.78 (5,877.09)	547.55 (518.94)	148.77 (122.14)	— (—)	— (—)
	Fixed Assets.....	15.40 (107.94)	0.25 (0.03)	— (—)	— (—)	— (—)
	Knowhow	19.38 (—)	— (—)	— (—)	— (—)	— (—)
	Services	1,330.72 (1,132.23)	8.44 (3.70)	— (4.08)	— (—)	— (—)
2.	Sales :					
	Goods.....	2,731.34 (1,545.75)	0.10 (0.91)	— (—)	— (0.07)	— (—)
	Fixed Assets.....	9.72 (15.74)	— (—)	— (—)	— (4.52)	— (—)
	Services	79.30 (80.23)	1.00 (1.11)	0.01 (3.50)	— (—)	— (—)
3.	Investments :					
	Purchases/Subscribed/Conversion.....	1,107.82 (1,008.58)	8.00 (—)	— (—)	— (—)	— (—)
	Sales/Redemption/Conversion	25.59 (—)	8.00 (—)	— (—)	— (—)	— (—)
4.	Deputation of Personnel :					
	From Parties	1.48 (0.23)	0.42 (0.42)	— (—)	— (—)	— (—)
	To Parties.....	12.38 (9.93)	3.90 (3.94)	0.66 (0.68)	— (—)	— (—)
5.	Managerial Remuneration.....	— (—)	— (—)	— (—)	7.83 (6.83)	— (—)
6.	Stock Options.....	— (—)	— (—)	— (—)	# (#)	— (—)
7.	Finance :					
	Inter Corporate Deposits given.....	936.23 (1,035.00)	— (—)	— (—)	— (—)	— (—)
	Inter Corporate Deposits refunded by Parties.....	940.23 (1,232.20)	— (—)	— (—)	— (—)	— (—)
	Interest Income.....	75.84 (69.95)	0.27 (0.42)	— (—)	— (—)	— (—)
	Interest Expense	— (—)	— (0.01)	— (—)	— (—)	— (—)

Refer Annexure I to the Directors' Report.

(c) The related party transactions are as under : (contd.)

						Rupees crores
Sl. No.	Nature of Transactions	Subsidiaries	Associate Companies	Joint Ventures/ Joint Ventures of a Subsidiary	Key Management Personnel	Welfare Funds
	Dividend received.....	149.32 (130.73)	5.36 (4.71)	27.81 (26.50)	— (—)	— (—)
	Security Deposits Paid.....	2.07 (1.01)	— (—)	— (—)	— (—)	— (—)
	Share Application Money Given/Converted (Net).....	27.17 (15.70)	— (—)	— (—)	— (—)	— (—)
8.	Dividends Distributed	— (—)	— (—)	— (—)	1.54 (1.40)	67.23 (61.77)
9.	Guarantees given on behalf of Subsidiaries during the year, absorbed	35.14 (19.97)	— (—)	— (—)	— (—)	— (—)
10.	Other Transactions :					
	Other Income.....	7.93 (10.36)	0.33 (0.32)	0.25 (0.23)	— (—)	64.79 (59.61)
	Other Expenses.....	38.55 (36.44)	— (0.09)	— (—)	— (—)	— (—)
	Reimbursements received from parties	118.38 (128.22)	1.20 (0.84)	0.13 (0.07)	— (—)	— (—)
	Reimbursements made to parties.....	69.35 (69.68)	* (—)	— (—)	— (—)	— (—)
	Advances Given.....	11.63 (4.65)	0.76 (—)	— (—)	— (—)	— (—)
	Advances Refunded/Converted	10.20 (10.50)	— (—)	— (—)	— (—)	— (5.00)
11.	Outstandings :					
	Payable	756.26 (600.75)	10.93 (8.72)	28.67 (27.68)	3.76 (3.25)	— (—)
	Receivable	753.65 (738.51)	4.54 (4.56)	1.90 (2.12)	— (—)	17.00 (17.00)
	Debentures/Bonds issued by Parties	465.29 (453.84)	— (8.00)	— (—)	— (—)	— (—)
	Inter Corporate Deposits given.....	285.75 (278.88)	4.59 (4.59)	— (—)	— (—)	— (—)
12.	Share Application Money Outstanding (Net)	27.17 (—)	— (—)	— (—)	— (—)	— (—)
13.	Provision for Doubtful debts/advances	5.99 (5.99)	7.18 (7.17)	— (—)	— (—)	10.00 (10.00)
14.	Guarantees given on behalf of subsidiaries, absorbed. Amount of guarantees as on 31 st March	87.20 (171.98)	— (—)	— (—)	— (—)	— (—)

* denotes amounts less than Rs. 50,000

Previous year's figures are in brackets.

The Significant related party transactions are as under :

Sl. No.	Nature of Transactions	Subsidiaries	Rupees crores	Associate Companies	Rupees crores	Joint Ventures/ Joint Ventures of a Subsidiary	Rupees crores
1.	Purchases - Goods	Mahindra Vehicle Manufacturers Limited	9,202.01 (4,618.97)	Swaraj Engines Limited	545.41 (493.88)	Mahindra Sona Limited	148.77 (122.14)
2.	Purchases - Services	Mahindra Logistics Limited	1,028.48 (948.07)	Mahindra & Mahindra Contech Limited	4.26 (3.69)	Tech Mahindra Limited	— (4.08)
				Tech Mahindra Limited	4.18 (—)		
3.	Sales - Goods	Mahindra Vehicle Manufacturers Limited	1,467.37 (710.09)	Swaraj Engines Limited	0.10 (0.91)		
		Mahindra USA Inc.	364.09 (252.55)				
		NBS International Limited	322.49 (194.03)				
4.	Sales - Services	Mahindra Navistar Automotives Limited	35.35 (43.89)	Tech Mahindra Limited	0.80 (—)	Mahindra Sona Limited	0.01 (—)
		Mahindra Automobile Distributor Private Limited	9.28 (8.63)	Swaraj Engines Limited	0.20 (0.92)	Mahindra Solar One Private Limited	— (2.11)
		Mahindra & Mahindra Financial Services Limited	8.08 (9.35)	Swaraj Automotives Limited	— (0.18)	Tech Mahindra Limited	— (1.38)
5.	Investments - Purchases/ Subscribed/ Conversion	Mahindra Navistar Automotives Limited	347.00 (156.05)	Vayugrid Marketplace Services Private Limited	8.00 (—)		
		Mahindra Two Wheelers Limited	345.00 (354.30)				
		Mahindra Engineering and Chemical Products Limited	— (226.00)				
6.	Investments- Sales/Redemption/ Conversion	Mahindra & Mahindra Financial Services Limited	25.00 (—)	Vayugrid Marketplace Services Private Limited	8.00 (—)		

The Significant related party transactions are as under : (contd.)

Sl. No.	Nature of Transactions	Subsidiaries	Rupees crores	Associate Companies	Rupees crores	Joint Ventures/ Joint Ventures of a Subsidiary	Rupees crores
7.	Advances Given	Mahindra Holidays & Resorts India Limited	5.27 (—)	Vayugrid Marketplace Services Private Limited	0.76 (—)		
		Mahindra Technologies Services Inc.	2.75 (—)				
		Mahindra Emirates Vehicle Armouring FZ-LLC	— (4.50)				
8.	Inter Corporate Deposits Given	Mahindra & Mahindra Financial Services Limited	500.00 (800.00)				
		Mahindra Two Wheelers Limited	324.40 (159.50)				
9.	Inter Corporate Deposits refunded by parties	Mahindra & Mahindra Financial Services Limited	500.00 (800.00)				
		Mahindra Two Wheelers Limited	339.40 (266.50)				
		Mahindra Engineering & Chemical Products Limited	— (156.63)				
10.	Guarantees Given	Mahindra Forging Europe AG	35.14 (—)				
		Mahindra Yueda (Yancheng) Tractor Company Limited	— (19.97)				

The Significant related party transactions with Key Management Personnel are as under :

Sl. No.	Nature of Transaction	Name of KMP	Rupees crores
1.	Managerial Remuneration	Mr. Anand Mahindra	4.66 (4.07)
		Mr. B. N. Doshi	3.17 (2.76)

Previous year's figures are in brackets.

42. Joint Venture Disclosure :

(i) The Company's Jointly Controlled Entities are :

Name of the Entity	Country of Incorporation	% of ownership interest	
		2013	2012
(a) Tech Mahindra Limited (upto 30 th August, 2012)	India	47.56%	47.59%
(b) Mahindra Sona Limited	India	29.77%	29.77%

(ii) The Company's share of each of the Assets, Liabilities, Income and Expenses (each without elimination of the effect of transactions between the Company and the Joint Venture) with respect to its interest in these Jointly Controlled Entities are :

Rupees crores

	2013	2012
I. ASSETS		
1. Fixed Assets	12.66	415.35
2. Non Current Investments	0.05	1,631.01
3. Deferred Tax Assets	—	47.49
4. Long Term Loans and Advances	0.98	161.80
5. Current Investments	—	76.38
6. Inventories	9.37	8.65
7. Trade Receivables	25.07	648.22
8. Cash and Bank Balances	4.85	118.95
9. Short Term Loans and Advances	1.25	231.98
10. Other Current Assets	0.15	0.06
II. LIABILITIES		
1. Long Term Borrowings	—	285.54
2. Deferred Tax Liabilities	0.74	0.63
3. Other Long Term Liabilities	—	204.80
4. Long Term Provisions	1.46	90.99
5. Short Term Borrowings	1.16	250.61
6. Trade Payables	12.83	184.25
7. Other Current Liabilities	1.55	290.65
8. Short Term Provisions	4.88	77.05
III. INCOME		
1. Revenue from Operations	1,287.04	2,698.40
2. Other Income	2.32	48.40
IV. EXPENSES		
1. Materials consumed and changes in inventories	64.65	55.33
2. Manufacturing, Selling expenses, Interest and Finance charges	1,001.47	2,275.33
3. Depreciation and Amortisation	36.68	77.95
4. Provision for taxation	36.30	71.92
5. Minority Interest	—	(1.71)
6. Share in Associate	109.02	265.08
V. OTHER MATTERS		
1. Contingent Liabilities	4.69	111.51
2. Capital Commitments	0.97	23.43

43. Value of Imports on C.I.F. basis accounted for during the year :

Rupees crores

	2013	2012
(i) Raw Materials	0.96	2.60
(ii) Components, Spare Parts etc.....	706.86	636.54
(iii) Capital Goods	141.88	150.11
(iv) Items imported for Resale.....	46.24	72.47
	895.94	861.72

Notes :

- (i) Credits, if any, recoverable in respect of short landings etc. are not considered.
- (ii) The value of imports shown above includes :
- (a) Imports on C&F basis as per supplier's invoices **Rs. 110.71 crores** (2012 : Rs. 15.39 crores).
- (b) Imports on 'cost' basis **Rs. 707.75 crores** (2012 : Rs. 756.43 crores).

44. Expenditure in Foreign Currencies (Subject to deduction of tax where applicable) :

Rupees crores

	2013	2012
(i) Professional and Consultancy fees [including Rs. 13.95 crores (2012 : Rs. 23.29 crores) capitalised]	117.63	80.31
(ii) Interest and Commitment charges.....	79.43	83.21
(iii) Royalty	5.42	6.61
(iv) Development Expenditure & Computer Software in Intangible Assets	111.09	123.82
(v) Others.....	145.95	96.44
	459.52	390.39

45. Remittance in Foreign Currency on account of dividends to non-resident shareholders :

Shareholders	Number of Equity shares	Amount remitted Rupees crores	Dividend relating to
2013 : 1	3,53,16,674	44.15	Year ended 31 st March, 2012
2012 : 1	3,93,59,210	45.26	Year ended 31 st March, 2011

46. Earnings in foreign exchange :

Rupees crores

	2013	2012
(i) Export of goods on F.O.B. basis.....	2,225.02	1,702.49
(ii) Interest	17.92	14.37
(iii) Others (freight etc.)	110.43	76.30
	2,353.37	1,793.16

Notes :

F.O.B. value of exports includes local sales which qualify for export benefits and for which payment is receivable in foreign currency and local/export sales under rupee credit which qualify for export benefits.

47. Segment Information

Segment Report For the year ended 31st March, 2013

Primary Segment Disclosure - Business Segment :

Particulars	2013					2012				
	Automotive	Farm Equipment	Other	Total Segment	Eliminations	Total	Automotive	Farm Equipment	Other	Total Segment
Revenue										
Net External Sales	28,395.73	11,973.85	71.58	40,441.16	—	40,441.16	20,088.18	11,672.92	86.09	31,847.19
Inter Segment Sales	9.65	15.82	1.03	26.50	(26.50)	—	10.05	15.17	1.69	26.91
Total Revenue	28,405.38	11,989.67	72.61	40,467.66	(26.50)	40,441.16	20,098.23	11,688.09	87.78	31,874.10
Result										
Segment Result before exceptional item	2,596.60	1,857.78	17.22	4,471.60	—	4,471.60	1,747.47	1,832.57	10.91	3,590.95
Exceptional item allocated to segments	—	—	—	—	—	—	108.27	—	—	108.27
Segment Result after exceptional item..	2,596.60	1,857.78	17.22	4,471.60	—	4,471.60	1,855.74	1,832.57	10.91	3,699.22
Less :										
Finance cost						191.19				162.75
Unallocated corporate expenses net of unallocated income						(76.06)				(69.42)
Exceptional item unallocable to segments						(90.62)				—
Profit before tax	4,447.09			4,447.09		4,447.09				3,605.89
Income Taxes	1,094.27			1,094.27		1,094.27				727.00
Profit after tax	3,352.82			3,352.82		3,352.82				2,878.89
OTHER INFORMATION										
Segment Assets	8,758.50	4,588.41	29.06	13,375.97	—	13,375.97	7,048.46	4,350.42	51.57	11,450.45
Unallocated Corporate Assets						14,077.62				12,319.51
Total Assets	8,758.50	4,588.41	29.06	13,375.97	—	27,453.59	7,048.46	4,350.42	51.57	11,450.45
Segment Liabilities	4,872.75	2,084.07	12.03	6,968.85	—	6,968.85	4,020.79	2,017.03	25.37	6,063.19
Unallocated Corporate Liabilities						5,825.82				5,602.08
Total Liabilities	4,872.75	2,084.07	12.03	6,968.85	—	12,794.67	4,020.79	2,017.03	25.37	6,063.19
Capital Expenditure	921.98	394.93	37.66	1,354.57	—	1,354.57	813.68	413.35	12.25	1,239.28
Depreciation and Amortisation Expense	514.46	137.29	5.50	657.25	—	657.25	409.09	108.72	5.61	523.42
Non cash expenses other than depreciation	17.04	—	—	17.04	—	17.04	—	—	—	—

Rupees crores

Secondary Segment Disclosure - Geographical Segment :

Rupees crores

Particulars	2013			2012		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue from External Customers....	38,005.10	2,436.06	40,441.16	30,009.46	1,837.73	31,847.19
Segment Assets.....	13,375.97	—	13,375.97	11,450.45	—	11,450.45
Capital Expenditure	1,354.57	—	1,354.57	1,239.28	—	1,239.28

Notes :**1. Business Segments :**

The Company has considered business segments as the primary segment for disclosure.

The segment have been identified taking into account the organisational structure as well as the differing risks and returns of these segments.

Automotive Segment comprises of sales of automobiles, spare parts and related services.

Farm Equipment Segment comprises of sales of tractors, spare parts and related services.

Other comprise of Defence Services, Special Services Group etc.

2. Secondary Segments :

The geographical segments are considered for disclosure as secondary segment.

Domestic segment includes sales to customers located in India and service income accrued in India.

Overseas segment includes sales and services rendered to customers located outside India.

48. Previous year's figures have been regrouped/restated wherever necessary.

Signatures to Notes 1 to 48

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
A. K. Nanda
Narayanan Vaghul
A. S. Ganguly
R. K. Kulkarni
Anupam Puri
Vikram Singh Mehta

Directors

Anand G. Mahindra Chairman & Managing Director

Bharat Doshi Executive Director & Group CFO

Narayan Shankar Company Secretary

Mumbai, 30th May, 2013

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies

Name of the Subsidiary Companies	Number of Shares in the Subsidiary Company held by Mahindra & Mahindra Limited at the financial year ending date		The net aggregate of profits/(losses) of the Subsidiary Companies so far as they concern the members of Mahindra & Mahindra Limited			
			For Current Financial Year		For Previous Financial Years	
	Equity	Extent of holding	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013
			Rupees crores	Rupees crores	Rupees crores	Rupees crores
	Nos.	%				
Mahindra Engineering and Chemical Products Limited	3,59,98,462	100.00%	—	0.02	—	138.90
* Retail Initiative Holdings Limited.....	—	100.00%	—	(0.01)	—	(0.03)
♣ Mahindra Retail Private Limited	—	94.80%	—	(108.18)	—	(156.85)
* Mahindra Conveyor Systems Private Limited.....	—	91.50%	—	4.09	—	11.11
Mahindra Intertrade Limited	2,71,00,006	100.00%	—	56.71	17.43	243.38
@ Mahindra MiddleEast Electrical Steel Service Centre (FZC).....	—	90.00%	—	2.35	—	29.05
@ Mahindra Steel Service Centre Limited	—	61.00%	—	0.89	—	16.22
@ Mahindra Electrical Steel Private Limited	—	100.00%	—	(0.78)	—	(0.63)
Mahindra Consulting Engineers Limited	11,51,000	54.16%	—	1.14	0.58	2.41
Mahindra Holidays & Resorts India Limited	6,65,85,642	#78.67%	—	84.16	28.00	294.62
+ MHR Hotel Management GmbH.....	—	#59.00%	—	0.04	—	0.13
+ Mahindra Holidays and Resorts USA Inc.....	—	#78.67%	—	(0.06)	—	0.21
+ Mahindra Hotels and Residences India Limited	—	#78.67%	—	(*)	—	(0.09)
+ Heritage Bird (M) Sdn.Bhd.	—	#78.67%	—	(0.20)	—	(0.49)
+ BAH Hotelanlagen AG.....	—	#77.83%	—	0.51	—	(0.19)
+ Bell Tower Resorts Private Limited	—	#78.67%	—	(8.37)	—	(1.60)
+ Divine Heritage Hotels Private Limited	—	#78.67%	—	(1.58)	—	—
+ Gables Promoters Private Limited.....	—	#78.67%	—	(*)	—	—
+ Holiday on Hills Resorts Private Limited	—	#78.67%	—	(1.18)	—	—
+ MH Boutique Hospitality Limited	—	#38.55%	—	(0.07)	—	—
+ Infinity Hospitality Group Company Limited	—	#58.20%	—	(0.70)	—	—
NBS International Limited	50,490	100.00%	—	(2.09)	—	2.00
Mahindra Ugine Steel Company Limited	1,64,66,789	50.69%	—	(17.09)	—	100.53
¥ Mahindra Sanyo Special Steel Private Limited	—	25.85%	—	(9.83)	—	(*)
Mahindra Holdings Limited	4,75,49,999	100.00%	—	0.71	—	16.31
⊙ Mahindra United Football Club Private Limited ...	—	100.00%	—	*	—	0.12

* denotes amounts less than Rs. 50,000

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies

Name of the Subsidiary Companies	Number of Shares in the Subsidiary Company held by Mahindra & Mahindra Limited at the financial year ending date		The net aggregate of profits/(losses) of the Subsidiary Companies so far as they concern the members of Mahindra & Mahindra Limited			
			For Current Financial Year		For Previous Financial Years	
	Equity	Extent of holding	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013
			Rupees crores	Rupees crores	Rupees crores	Rupees crores
	Nos.	%				
✱ Mahindra Punjab Tractors Private Limited.....	—	100.00%	—	(*)	—	(*)
✱ Mahindra EPC Services Private Limited	—	100.00%	—	38.65	—	0.31
✱ Mahindra Integrated Business Solutions Private Limited	—	100.00%	—	0.97	—	0.57
✱ Mahindra Telecommunications Investment Private Limited	—	100.00%	—	0.13	—	0.02
Mahindra Lifespace Developers Limited	2,08,46,126	51.04%	—	49.76	12.51	174.47
✱ Mahindra Infrastructure Developers Limited	—	51.04%	—	(0.11)	—	0.12
✱ Mahindra World City Developers Limited.....	—	42.17%	—	22.98	—	31.24
✱ Mahindra World City (Jaipur) Limited	—	37.77%	—	6.26	—	7.43
✱ Mahindra Integrated Township Limited.....	—	48.32%	—	5.51	—	(6.45)
✱ Mahindra Residential Developers Limited	—	48.32%	—	4.24	—	2.07
✱ Mahindra World City (Maharashtra) Limited	—	51.04%	—	(*)	—	(0.58)
✱ Knowledge Township Limited.....	—	51.04%	—	(0.01)	—	(0.22)
✱ Mahindra Bebanco Developers Limited	—	35.73%	—	(1.61)	—	(0.80)
✱ Raigad Industrial & Business Park Limited.....	—	51.04%	—	(*)	—	(0.04)
✱ Industrial Township (Maharashtra) Limited.....	—	51.04%	—	(0.01)	—	(0.06)
✱ Anthurium Developers Limited	—	51.04%	—	(*)	—	(0.01)
✱ Watsonia Developers Limited.....	—	51.04%	—	(*)	—	(0.01)
✱ Mahindra Housing Private Limited	—	51.04%	—	—	—	—
Mahindra & Mahindra Financial Services Limited.....	29,12,07,660	#51.20%	—	451.94	81.54	836.35
♦ Mahindra Insurance Brokers Limited.....	—	#43.52%	—	14.99	—	24.44
♦ Mahindra Rural Housing Finance Limited.....	—	#44.80%	—	9.10	—	9.66
♦ Mahindra Business & Consulting Services Private Limited	—	#51.20%	—	0.89	—	0.38
Bristlecone Limited	42,22,250	79.10%	—	(7.05)	—	(28.00)
⊙ Bristlecone Inc.	—	79.10%	—	9.88	—	(36.97)

* denotes amounts less than Rs. 50,000

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies

Name of the Subsidiary Companies	Number of Shares in the Subsidiary Company held by Mahindra & Mahindra Limited at the financial year ending date		The net aggregate of profits/(losses) of the Subsidiary Companies so far as they concern the members of Mahindra & Mahindra Limited			
			For Current Financial Year		For Previous Financial Years	
	Equity	Extent of holding	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013
			Rupees crores	Rupees crores	Rupees crores	Rupees crores
	Nos.	%				
⊙ Bristlecone India Limited	—	79.10%	—	2.18	—	21.35
● Bristlecone (Singapore) Pte. Limited	—	79.10%	—	0.10	—	(4.06)
● Bristlecone GmbH	—	79.10%	—	0.75	—	1.78
⊙ Bristlecone UK Limited	—	79.10%	—	(0.43)	—	(11.76)
⊙ Bristlecone (Malaysia) Sdn.Bhd.	—	79.10%	—	2.45	—	0.85
⊙ Bristlecone Consulting Limited	—	79.10%	—	1.60	—	0.18
⊙ Bristlecone International AG	—	79.10%	—	2.95	—	0.19
Mahindra First Choice Wheels Limited	3,47,77,255	#52.15%	—	(4.97)	—	(47.59)
Mahindra USA Inc.	14,00,00,000	100.00%	—	(4.40)	—	(37.59)
□ Mahindra Tractor Assembly Inc.	—	100.00%	—	—	—	—
Mahindra Gujarat Tractor Limited	16,83,218	60.00%	—	2.69	—	(9.36)
Mahindra Shubhlabh Services Limited	49,12,400	100.00%	—	3.40	—	(5.99)
Mahindra & Mahindra South Africa (Proprietary) Limited	5,20,00,000	100.00%	—	20.14	5.20	7.18
Mahindra Overseas Investment Company (Mauritius) Limited	8,16,63,925	100.00%	—	(3.83)	—	(70.61)
✕ Mahindra Racing S.r.l.	—	100.00%	—	0.01	—	(0.01)
✕ Mahindra-BT Investment Company (Mauritius) Limited	—	57.00%	—	(0.16)	—	49.97
✕ Mahindra Europe S.r.l.	—	80.00%	—	(3.63)	—	(0.03)
✕ Mahindra Graphic Research Design S.r.l.	—	100.00%	—	0.03	—	(11.21)
✕ Mahindra Yueda (Yancheng) Tractor Company Limited	—	51.00%	—	(26.13)	—	(4.04)
Ω Jiangxi Mahindra Yueda Tractor Company Limited ..	—	45.58%	—	(6.58)	—	—
✕ Mahindra Emirates Vehicle Armouring FZ-LLC	—	51.00%	—	(4.13)	—	(1.08)
Mahindra Gears & Transmissions Private Limited	1,15,86,361	76.67%	—	0.01	0.74	3.88
Mahindra Engineering Services Limited	81,26,218	#88.67%	—	29.68	2.82	74.62
++ Mahindra Engineering Services (Europe) Limited.	—	#88.67%	—	1.29	—	8.10

* denotes amounts less than Rs. 50,000

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies

Name of the Subsidiary Companies	Number of Shares in the Subsidiary Company held by Mahindra & Mahindra Limited at the financial year ending date		The net aggregate of profits/(losses) of the Subsidiary Companies so far as they concern the members of Mahindra & Mahindra Limited			
			For Current Financial Year		For Previous Financial Years	
			Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013
	Equity	Extent of holding				
	Nos.	%	Rupees crores	Rupees crores	Rupees crores	Rupees crores
++ Mahindra Engineering GmbH	—	#88.67%	—	(0.32)	—	(4.32)
++ Mahindra Technologies Services Inc.	—	#88.67%	—	2.33	—	(0.59)
Mahindra Forgings Limited	4,88,25,609	52.97%	—	21.65	—	(74.17)
£ Stokes Group Limited	—	52.93%	—	(5.17)	—	(44.60)
∅ Stokes Forgings Dudley Limited	—	52.93%	—	—	—	0.62
∅ Stokes Forgings Limited	—	52.93%	—	—	—	(4.14)
£ Mahindra Forgings Global Limited	—	52.97%	—	(0.07)	—	(2.08)
£ Mahindra Forgings International Limited	—	52.97%	—	(0.61)	—	(23.57)
## Mahindra Forgings Europe AG	—	52.97%	—	(10.78)	—	(5.30)
• Gesenkschmiede Schneider GmbH	—	52.97%	—	(8.50)	—	20.01
• JECO-Jellinghaus GmbH	—	52.97%	—	(5.76)	—	(3.00)
• Falkenroth Umformtechnik GmbH	—	52.97%	—	(6.28)	—	(6.02)
• Schöneweiss & Co. GmbH	—	52.97%	—	(48.71)	—	(13.42)
Mahindra Automobile Distributor Private Limited	7,40,000	95.00%	—	13.31	—	13.32
Mahindra Navistar Automotives Limited	1,14,79,25,600	100.00%	—	(365.14)	—	(283.08)
Mahindra Hinoday Industries Limited	3,02,54,052	64.96%	—	(11.83)	—	(49.51)
Mahindra Vehicle Manufacturers Limited	96,22,50,000	100.00%	—	283.78	—	119.87
Mahindra Logistics Limited	5,76,99,900	100.00%	—	24.44	—	3.81
π 2 X 2 Logistics Private Limited	—	100.00%	—	(*)	—	—
Mahindra Navistar Engines Private Limited	26,50,00,000	100.00%	—	(61.92)	—	(69.60)
Mahindra Aerospace Private Limited	9,75,15,249	66.67%	—	(1.27)	—	(3.46)
▲ Mahindra Aerospace Australia Pty. Limited	—	66.67%	—	0.02	—	(0.10)
α Aerostaff Australia Pty. Limited	—	66.67%	—	(4.60)	—	(7.05)
α Gipp Aero Investments Pty. Limited	—	50.07%	—	(0.02)	—	(0.07)
Σ Gippsaero Pty. Limited	—	50.07%	—	(19.57)	—	(12.86)
Σ GA8 Airvan Pty. Limited	—	50.07%	—	—	—	—
Σ GA200 Pty. Limited	—	50.07%	—	—	—	—

* denotes amounts less than Rs. 50,000

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies

Name of the Subsidiary Companies	Number of Shares in the Subsidiary Company held by Mahindra & Mahindra Limited at the financial year ending date		The net aggregate of profits/(losses) of the Subsidiary Companies so far as they concern the members of Mahindra & Mahindra Limited			
			For Current Financial Year		For Previous Financial Years	
	Equity	Extent of holding	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013	Not dealt with in the accounts of Mahindra & Mahindra Limited for the year ended 31 st March, 2013
			Rupees crores	Rupees crores	Rupees crores	Rupees crores
	Nos.	%				
Σ Airvan Flight Services Pty. Limited	—	50.07%	—	—	—	—
Σ Nomad TC Pty. Limited	—	50.07%	—	—	—	—
▲ Mahindra Aerostructures Private Limited.....	—	66.67%	—	(5.83)	—	(5.02)
Mahindra First Choice Services Limited	5,70,00,000	100.00%	—	(24.08)	—	(37.67)
Mahindra Gears International Limited	2,07,00,001	100.00%	—	(0.10)	—	(0.42)
★ Mahindra Gears Global Limited	—	53.34%	—	(0.16)	—	(0.75)
✍ Mahindra Gears Cyprus Limited.....	—	53.34%	—	—	—	(0.02)
✍ Metacastello S.p.A.	—	51.00%	—	(13.54)	—	(65.09)
■ Crest Geartech Private Limited	—	51.00%	—	(0.05)	—	0.39
Mahindra Automotive Australia Pty. Limited.....	45,75,000	100.00%	—	0.15	—	(7.65)
Mahindra Two Wheelers Limited.....	81,72,99,975	93.03%	—	(245.47)	—	(441.90)
Defence Land Systems India Private Limited.....	6,29,00,000	100.00%	—	(38.76)	—	(18.10)
Mahindra Namaste Private Limited	10,000	100.00%	—	(0.04)	—	(*)
Mahindra Reva Electric Vehicles Private Limited	1,83,28,157	67.90%	—	(21.63)	—	(31.19)
Ssangyong Motor Company	8,54,19,047	#69.63%	—	(353.81)	—	(499.57)
☼ Ssangyong European Parts Center B.V.	—	#69.63%	—	0.41	—	1.48
☼ Ssangyong Motor (Shanghai) Company Limited...	—	#69.63%	—	(3.44)	—	3.32
☼ Ssangyong (Yizheng) Auto Parts Manufacturing Company Limited.....	—	#69.63%	—	(0.70)	—	0.44
EPC Industrie Limited.....	1,51,44,433	54.81%	—	2.93	—	1.80
Swaraj Automotives Limited.....	17,06,925	71.19%	—	1.62	0.51	—
Mahindra Defence Naval Systems Private Limited	1,50,31,330	100.00%	—	0.04	—	—
Mahindra Defence Systems Limited	23,79,900	100.00%	—	0.05	—	—

* denotes amounts less than Rs. 50,000

after considering shares issued to its ESOP Trust but not allotted to its employees.

Statement pursuant to Section 212 of the Companies Act, 1956, relating to subsidiary companies

✱	a subsidiary of Mahindra Engineering and Chemical Products Limited
♣	a subsidiary of Retail Initiative Holdings Limited
@	a subsidiary of Mahindra Intertrade Limited
+	a subsidiary of Mahindra Holidays & Resorts India Limited
¥	a subsidiary of Mahindra Ugine Steel Company Limited
⊗	a subsidiary of Mahindra Holdings Limited
⊛	a subsidiary of Mahindra Lifespace Developers Limited
✕	a subsidiary of Mahindra Integrated Township Limited
◆	a subsidiary of Mahindra & Mahindra Financial Services Limited
⊙	a subsidiary of Bristlecone Limited
●	a subsidiary of Bristlecone India Limited
□	a subsidiary of Mahindra USA Inc.
⌘	a subsidiary of Mahindra Overseas Investment Company (Mauritius) Limited
Ω	a subsidiary of Mahindra Yueda (Yancheng) Tractor Company Limited
++	a subsidiary of Mahindra Engineering Services Limited
£	a subsidiary of Mahindra Forgings Limited
∅	a subsidiary of Stokes Group Limited
##	a subsidiary of Mahindra Forgings International Limited
•	a subsidiary of Mahindra Forgings Europe AG
π	a subsidiary of Mahindra Logistics Limited
▲	a subsidiary of Mahindra Aerospace Private Limited
α	a subsidiary of Mahindra Aerospace Australia Pty. Limited
Σ	a subsidiary of Gipp Aero Investments Pty. Limited
★	a subsidiary of Mahindra Gears International Limited
✍	a subsidiary of Mahindra Gears Global Limited
■	a subsidiary of Metalcastello S.p.A.
⊗	a subsidiary of Ssangyong Motor Company

"The financial year of all Subsidiaries ended on 31st March, 2013, except Jiangxi Mahindra Yueda Tractor Company Limited, Mahindra Yueda (Yancheng) Tractor Company Limited, Ssangyong Motor Company, Ssangyong European Parts Center B.V., Ssangyong Motor (Shanghai) Company Limited, Ssangyong (Yizheng) Auto Parts Manufacturing Company Limited, Infinity Hospitality Group Company Limited whose financial years are 1st January, 2012 to 31st December, 2012 and Mahindra Housing Private Limited whose first financial year would be from 29th March, 2013 to 31st March, 2014."

Deepak S. Parekh
 Nadir B. Godrej
 M. M. Murugappan
 A. K. Nanda
 Narayanan Vaghul
 A. S. Ganguly
 R. K. Kulkarni
 Anupam Puri
 Vikram Singh Mehta

} Directors

Anand G. Mahindra Chairman & Managing Director

Bharat Doshi Executive Director & Group CFO

Narayan Shankar Company Secretary

Mumbai, 30th May, 2013



CONSOLIDATED ACCOUNTS





Independent Auditors' Report to the Board of Directors of Mahindra & Mahindra Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Mahindra & Mahindra Limited (the "Company") and its subsidiaries ("the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

5. As stated in Note 36, the auditors of Tech Mahindra Limited Group (TML), an associate, based on the audit report on the accounts of its associate Satyam Computers Services Limited (SCSL) for the year ended 31st March, 2013, have issued a qualified opinion on the Consolidated Financial Statements of TML for the year ended 31st March, 2013 on certain matters, expressing their inability to comment whether adjustments would be necessary in the financial statements of TML as a result of number of items, in the SCSL accounts, including ongoing investigations and legal proceedings by various regulators and investigating agencies in respect of financial

irregularities in SCSL relating to prior years; Net debit amounts aggregating Rs. 1,139.40 crores booked to 'Unexplained Differences Suspense Account (Net)' and fully provided for in prior years on grounds of prudence in its accounts by SCSL; Alleged advances of Rs. 1,230.40 relating to prior years as claimed by various companies which is presented separately in the Balance Sheet of SCSL under 'Amount Pending Investigation Suspense Account (Net)' and adequacy or otherwise of the provision for taxation pertaining to prior years.

In view of the above, we are unable to comment on the consequential impact, if any, of the same on the Company's post acquisition Share of Profit/(Loss) of Associates for the year and Investment in Associates in the Consolidated Financial Statements of the Group.

Qualified Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matter paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matter

7. We did not audit the financial statements of certain subsidiaries and jointly controlled entities, whose financial statements reflect the Group's share of total assets of Rs. 33,856.11 crores as at 31st March, 2013, and the Group's share of total revenues of Rs. 10,074.32 crores for the year ended on that date, and net cash inflows amounting to Rs. 200.34 crores for the year ended on that date and associates whose financial statements reflect the Group's share of profit upto 31st March, 2013 of Rs. 51.34 crores and the Group's share of profit of Rs. 15.49 crores for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 117364W)

Shyamak R Tata
Partner
(Membership No. 38320)

Mumbai, 30th May, 2013

Consolidated Balance Sheet as at 31st March, 2013

Rupees crores

	Note	2013	2012
I. EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS :			
(a) Share Capital.....	4	295.16	294.52
(b) Share Capital Suspense Account		—	*
(c) Reserves and Surplus.....	5	19,665.54	16,409.29
* denotes amount less than Rs. 50,000		19,960.70	16,703.81
MINORITY INTEREST		5,296.97	4,525.16
NON-CURRENT LIABILITIES :			
(a) Long Term Borrowings.....	6	19,860.26	16,039.86
(b) Deferred Tax Liabilities (Net)	7A	893.50	722.62
(c) Other Long Term Liabilities.....	8	2,103.40	1,661.39
(d) Long Term Provisions	9	2,251.63	2,259.37
		25,108.79	20,683.24
CURRENT LIABILITIES :			
(a) Short Term Borrowings.....	10	3,368.48	2,894.86
(b) Trade Payables	11	11,900.28	10,043.48
(c) Other Current Liabilities	12	8,802.87	7,019.10
(d) Short Term Provisions	13	2,031.70	1,916.12
		26,103.33	21,873.56
Total		76,469.79	63,785.77
II. ASSETS			
NON CURRENT ASSETS :			
(a) Fixed Assets :			
Tangible assets.....	14A	15,530.98	14,339.10
Intangible assets.....	14B	779.02	773.15
Capital Work-in-Progress.....	14C	1,119.50	1,131.25
Intangible Assets Under Development	14D	511.70	357.04
		17,941.20	16,600.54
(b) Goodwill on Consolidation.....		1,997.34	2,086.02
(c) Non Current Investments.....	15A	4,626.20	3,426.64
(d) Deferred Tax Assets (Net).....	7B	338.36	338.16
(e) Long Term Loans and Advances	16	16,972.59	11,934.83
(f) Other Non Current Assets	17	574.00	458.64
		42,449.69	34,844.83
CURRENT ASSETS :			
(a) Current Investments.....	15B	1,814.21	1,920.57
(b) Inventories.....	18	8,416.90	7,157.67
(c) Trade Receivables	19	5,176.97	5,345.06
(d) Cash and Bank Balances	20	4,760.20	3,484.72
(e) Short Term Loans and Advances.....	21	13,006.56	9,977.34
(f) Other Current Assets.....	22	845.26	1,055.58
		34,020.10	28,940.94
Total		76,469.79	63,785.77

The accompanying notes 1 to 43 are an integral part of the Financial Statements

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered AccountantsShyamak R Tata
PartnerMumbai, 30th May, 2013

Deepak S. Parekh Nadir B. Godrej M. M. Murugappan A. K. Nanda Narayanan Vaghul A. S. Ganguly R. K. Kulkarni Anupam Puri Vikram Singh Mehta	} Directors
--	-------------

Anand G. Mahindra Chairman & Managing Director

Bharat Doshi Executive Director & Group CFO

Narayan Shankar Company Secretary

Mumbai, 30th May, 2013

Consolidated Statement of Profit and Loss for the year ended 31st March, 2013

Rupees crores

	Note	2013	2012
Revenue from Operations	23		
Gross Revenue from Sale of Products and Services.....		67,921.93	58,318.72
Less : Excise Duty		5,278.39	3,612.85
Net Revenue from Sale of Products and Services.....		62,643.54	54,705.87
Other Operating Revenue.....	23	6,092.12	4,693.07
Revenue from Operations (Net).....	23	68,735.66	59,398.94
Other Income.....	24	388.94	346.01
Total Revenue		69,124.60	59,744.95
EXPENSES :			
Cost of Materials Consumed.....	25	39,062.01	35,190.22
Purchases of Stock-in-Trade.....		3,001.94	1,452.71
Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Manufactured Components.....	26	(220.36)	(1,169.74)
Employee Benefits Expense.....	27	6,819.07	6,590.87
Finance Costs	28	2,297.00	1,799.57
Depreciation and Amortisation Expense.....		2,079.86	1,801.67
Other Expenses.....	29	11,223.19	10,134.07
		64,262.71	55,799.37
Less : Cost of Manufactured/Purchased Products Capitalised.....		265.98	177.18
Total Expenses.....		63,996.73	55,622.19
Profit Before Exceptional Items and Tax		5,127.87	4,122.76
Add : Exceptional Items.....	37	452.50	60.76
Profit Before Tax.....		5,580.37	4,183.52
(Add)/Less : Tax Expense.....			
Current Tax		1,754.11	1,340.70
Less : MAT Credit Entitlement		(21.11)	(201.95)
Net Current Tax.....		1,733.00	1,138.75
Deferred Tax (Net).....		201.63	268.81
		1,934.63	1,407.56
Profit for the year before share of Profit/(Loss) of Associates and Minority Interest.....		3,645.74	2,775.96
Add/(Less) : Share of Profit/(Loss) of Associates for the year			
– From Ordinary Activities		483.41	261.75
– Exceptional Items.....		—	22.21
Profit before Minority Interest.....		4,129.15	3,059.92
Minority Share in (Profit)/Loss.....		(29.95)	66.74
Net Profit.....		4,099.20	3,126.66
Earnings per equity share	38		
(Face value Rs. 5/- per share) (Rupees)			
Basic		69.51	53.18
Diluted.....		66.76	50.92
The accompanying notes 1 to 43 are an integral part of the Financial Statements			

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered AccountantsShyamak R Tata
PartnerMumbai, 30th May, 2013

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
A. K. Nanda
Narayanan Vaghul
A. S. Ganguly
R. K. Kulkarni
Anupam Puri
Vikram Singh Mehta

Directors

Anand G. Mahindra

Chairman & Managing Director

Bharat Doshi

Executive Director & Group CFO

Narayan Shankar

Company Secretary

Mumbai, 30th May, 2013

Consolidated Cash Flow Statement for the year ended 31st March, 2013

Rupees crores

	2013	2012
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before exceptional items and taxation	5,127.87	4,122.76
Adjustments for :		
Depreciation, Amortisation and Impairment	2,084.55	1,803.23
Profit on Exchange (Net)	12.77	53.28
Investment and Interest Income [Excluding Rs. 0.52 crores (2012 : Rs. 1.04 crores) in respect of investment enterprises consolidated]	(226.07)	(168.30)
Interest, Commitment and Finance charges [Excluding Rs. 1,667.25 crores (2012 : Rs. 1,132.29 crores) in respect of financial enterprises consolidated]	629.75	667.28
Employee Stock Compensation Expense	98.28	137.42
Profit on sale of Investments (Net)	(76.81)	(58.42)
Profit on fixed assets sold/scrapped/written off (Net)	(2.09)	(12.23)
Write off of Intangible asset under Development	17.04	—
Excess of cost over fair value of current investments, reversed (Net)	(1.84)	(0.05)
	2,535.58	2,422.21
Operating Profit before Working Capital changes	7,663.45	6,544.97
Changes in :		
Trade and other receivables	(2,154.52)	(1,664.89)
Loans against Assets *	(6,756.35)	(5,426.83)
Inventories	(1,302.21)	(1,771.69)
Trade and other payables	3,409.14	4,004.87
	(6,803.94)	(4,858.54)
Cash generated from operations	859.51	1,686.43
Income Taxes paid (Net of refunds)	(1,781.18)	(1,625.12)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(921.67)	61.31
* In respect of financial enterprises consolidated.		
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(3,291.39)	(3,337.02)
Sale of fixed assets	63.66	261.62
Purchase of investments	(45,660.89)	(25,093.69)
Sale of investments	45,519.84	24,779.64
Interest received	179.78	103.22
Dividends received	27.16	28.77
Bank deposits (Net)	(544.61)	87.37
(Increase)/Decrease in Earmarked & Margin account	(46.91)	0.38
Inter corporate deposits given	(170.19)	(99.50)
Inter corporate deposits refunded	121.74	60.48
Purchase consideration paid on acquisition of holding interest in Subsidiaries	(296.33)	(76.56)
Sale Proceeds/Subscription (Net) received on divesture of Interest in Subsidiaries/Disposal of Subsidiaries	1,154.24	292.22
Exceptional Items :		
Sale of Long Term Investments	156.29	—
NET CASH USED IN INVESTING ACTIVITIES	(2,787.61)	(2,993.07)

Consolidated Cash Flow Statement (contd.)

Rupees crores

	2013	2012
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds from borrowings.....	60,108.18	45,104.04
Repayments of borrowings.....	(54,392.17)	(40,047.03)
Net increase in Loans repayable on demand and cash credit.....	427.91	750.75
Dividends paid.....	(997.30)	(900.27)
Interest, Commitment and Finance charges paid	(638.33)	(651.88)
NET CASH FROM FINANCING ACTIVITIES.....	4,508.29	4,255.61
NET INCREASE IN CASH AND CASH EQUIVALENTS	799.01	1,323.85
OPENING CASH AND CASH EQUIVALENTS	3,138.88	1,790.03
CASH AND BANK BALANCE ACQUIRED ON ACQUISITION OF SUBSIDIARIES	0.70	25.01
CONSEQUENT TO CHANGE IN GROUP'S INTEREST.....	(115.75)	(0.01)
CLOSING CASH AND CASH EQUIVALENTS	3,822.84	3,138.88



Notes to the Consolidated Cash Flow Statement for the year ended 31st March, 2013

Rupees crores

	2013	2012
1. The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Accounting Standard 3 'Cash Flow Statement'		
2. Cash and Cash Equivalents	3,822.84	3,138.08
Unrealised Gain on foreign currency Cash and Cash Equivalents.....	—	0.80
	3,822.84	3,138.88
Other Bank Balances	937.36	345.84
Cash and Bank Balances.....	4,760.20	3,484.72

In terms of our report attached.

For Deloitte Haskins & Sells
Chartered Accountants

Shyamak R Tata
Partner

Mumbai, 30th May, 2013

Deepak S. Parekh
Nadir B. Godrej
M. M. Murugappan
A. K. Nanda
Narayanan Vaghul
A. S. Ganguly
R. K. Kulkarni
Anupam Puri
Vikram Singh Mehta

Directors

Anand G. Mahindra Chairman & Managing Director

Bharat Doshi Executive Director & Group CFO

Narayan Shankar Company Secretary

Mumbai, 30th May, 2013

Notes forming part of the Consolidated Financial Statements for the year ended 31st March, 2013

1. The Consolidated Financial Statements relate to Mahindra & Mahindra Limited (M&M, the Company) and its subsidiaries, joint ventures and associates. The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) "Consolidated Financial Statements", Accounting Standard 23 (AS 23) "Accounting for Investment in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS 27) "Financial Reporting of Interests in Joint Ventures" notified by the Companies (Accounting Standard) Rules, 2006. The Consolidated Financial Statements have been prepared on the following basis :

(a) Investments in Subsidiaries :

- (i) The Financial Statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances, intra group transactions and unrealised profits or losses have been fully eliminated.
- (ii) The difference between the costs of investment in the subsidiaries and the Company's share of equity at the time of acquisition of shares in the subsidiaries is recognised in the Financial Statements as Goodwill on consolidation or Capital Reserve on consolidation.
- (iii) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of date of disposal is recognised in the Statement of Profit and Loss as profit or loss on disposal of investment in subsidiaries.
- (iv) Minority Interest in the net assets of consolidated subsidiaries consists :
 - (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - (b) the minorities' share of movements in equity since the date the parent subsidiary relationship comes into existence.
- (v) The Financial Statements of the subsidiaries are drawn up to 31st March, 2013.

The subsidiaries (which along with Mahindra & Mahindra Limited, the parent, constitute the group) considered in the presentation of these Consolidated Financial Statements are :

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest*		Proportion of voting power where different	
		as at 31-03-2013	as at 31-03-2012	as at 31-03-2013	as at 31-03-2012
Indian Subsidiaries					
1. Mahindra First Choice Wheels Limited	India	54.83%	54.83%	100.00%	100.00%
2. Mahindra Lifespace Developers Limited.....	India	51.04%	51.05%		
3. Mahindra Consulting Engineers Limited	India	54.16%	54.16%		
4. Bristlecone India Limited.....	India	79.10%	79.60%		
5. Mahindra Engineering and Chemical Products Limited.....	India	100.00%	100.00%	100.00%	100.00%
6. Mahindra Gujarat Tractor Limited.....	India	60.00%	60.00%		
7. Mahindra Holidays & Resorts India Limited	India	79.38%	83.47%		
8. Mahindra Infrastructure Developers Limited.....	India	51.04%	51.05%		
9. Mahindra Intertrade Limited	India	100.00%	100.00%	85.00%	100.00%
10. Mahindra & Mahindra Financial Services Limited	India	51.72%	56.72%		
11. Mahindra Steel Service Centre Limited.....	India	61.00%	61.00%		
12. Mahindra Shubhlabh Services Limited.....	India	100.00%	100.00%		
13. NBS International Limited	India	100.00%	100.00%	82.62%	82.62%
14. Mahindra Insurance Brokers Limited	India	43.96%	56.72%		
15. Mahindra Engineering Services Limited	India	99.92%	99.93%		
16. Mahindra World City Developers Limited	India	42.17%	42.18%		
17. Mahindra Gears & Transmissions Private Limited	India	76.67%	76.67%	100.00%	100.00%
18. Mahindra Navistar Automotives Limited.....	India	100.00%	51.00%		
19. Mahindra World City (Maharashtra) Limited.....	India	51.04%	51.05%		
20. Mahindra Automobile Distributor Private Limited.....	India	95.00%	95.00%		
21. Mahindra Ugine Steel Company Limited.....	India	50.69%	50.69%	74.00%	74.00%
22. Mahindra World City (Jaipur) Limited	India	37.77%	37.78%		
23. Mahindra Integrated Township Limited	India	48.32%	48.40%		
24. Mahindra Vehicle Manufacturers Limited	India	100.00%	100.00%		

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest*		Proportion of voting power where different	
		as at 31-03-2013	as at 31-03-2012	as at 31-03-2013	as at 31-03-2012
25. Mahindra Hinoday Industries Limited.....	India	64.96%	64.96%		
26. Mahindra Forgings Limited	India	52.97%	52.97%		
27. Mahindra Hotels and Residences India Limited.....	India	79.38%	83.47%	100.00%	100.00%
28. Knowledge Township Limited.....	India	51.04%	51.05%	100.00%	100.00%
29. Mahindra Holdings Limited.....	India	100.00%	100.00%		
30. Mahindra Logistics Limited	India	100.00%	100.00%		
31. Mahindra Rural Housing Finance Limited	India	45.26%	49.63%	87.50%	87.50%
32. Mahindra Residential Developers Limited.....	India	48.32%	24.68%	100.00%	51.00%
33. Mahindra Aerospace Private Limited.....	India	66.67%	66.67%		
34. Mahindra First Choice Services Limited	India	100.00%	100.00%		
35. Mahindra Navistar Engines Private Limited	India	100.00%	51.00%		
36. Mahindra Bebanco Developers Limited.....	India	35.73%	35.73%	70.00%	70.00%
37. Industrial Township (Maharashtra) Limited	India	51.04%	51.05%	100.00%	100.00%
38. Crest Geartech Private Limited	India	51.00%	51.00%	100.00%	100.00%
39. Mahindra Business & Consulting Services Private Limited.....	India	51.72%	56.72%	100.00%	100.00%
40. Mahindra Two Wheelers Limited	India	93.03%	88.53%		
41. Defence Land Systems India Private Limited.....	India	100.00%	74.00%		
42. Mahindra United Football Club Private Limited	India	100.00%	100.00%		
43. Retail Initiative Holdings Limited	India	100.00%	100.00%		
44. Mahindra Retail Private Limited.....	India	94.80%	93.46%		
45. Mahindra Electrical Steel Private Limited	India	100.00%	100.00%		
46. Raigad Industrial & Business Park Limited	India	51.04%	51.05%	100.00%	100.00%
47. Mahindra Conveyor Systems Private Limited	India	91.50%	91.50%		
48. Mahindra Punjab Tractors Private Limited	India	100.00%	100.00%		
49. Mahindra Namaste Private Limited (Formerly Known as Mahindra EcoNova Private Limited).....	India	100.00%	100.00%		
50. Mahindra Reva Electric Vehicles Private Limited	India	67.90%	64.26%		
51. Anthurium Developers Limited.....	India	51.04%	51.05%	100.00%	100.00%
52. Watsonia Developers Limited	India	51.04%	51.05%	100.00%	100.00%
53. Mahindra Integrated Business Solutions Private Limited (Formerly known as Mahindra BPO Services Private Limited) ..	India	100.00%	100.00%		
54. Mahindra Aerostructures Private Limited.....	India	66.67%	66.67%	100.00%	100.00%
55. Mahindra EPC Services Private Limited.....	India	100.00%	100.00%		
56. Mahindra Telecommunications Investment Private Limited.....	India	100.00%	100.00%		
57. Mahindra Sanyo Special Steel Private Limited (Formerly known as Navyug Special Steel Private Limited).....	India	25.85%	50.69%	51.00%	100.00%
58. Bell Tower Resorts Private Limited.....	India	79.38%	83.47%	100.00%	100.00%
59. Swaraj Automotives Limited	India	71.19%	71.19%		
60. EPC Industrie Limited.....	India	54.81%	38.10%		
61. Mahindra Defence Naval Systems Private Limited (w.e.f. 18 th May, 2012).....	India	100.00%			
62. Mahindra Defence Systems Limited (w.e.f. 30 th July, 2012).....	India	100.00%			
63. Divine Heritage Hotels Private Limited (w.e.f. 9 th August, 2012)	India	79.38%		100.00%	
64. Gables Promoters Private Limited (w.e.f. 24 th August, 2012)	India	79.38%		100.00%	
65. 2 x 2 Logistics Private Limited (w.e.f. 22 nd October, 2012).....	India	100.00%			
66. Holiday on Hills Resorts Private Limited (w.e.f. 25 th October, 2012)	India	79.38%		100.00%	
67. Mahindra Housing Private Limited (w.e.f. 29 th March, 2013)....	India	51.04%		100.00%	

MAHINDRA & MAHINDRA LIMITED (CONSOLIDATED)

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest*		Proportion of voting power where different	
		as at 31-03-2013	as at 31-03-2012	as at 31-03-2013	as at 31-03-2012
Foreign Subsidiaries					
68. Mahindra Automotive Australia Pty. Limited	Australia	100.00%	100.00%		
69. Mahindra Aerospace Australia Pty. Limited	Australia	66.67%	66.67%	100.00%	100.00%
70. Aerostaff Australia Pty. Limited	Australia	66.67%	66.67%	100.00%	100.00%
71. Gipp Aero Investments Pty. Limited.....	Australia	50.07%	50.07%	75.10%	75.10%
72. Gippsaero Pty. Limited.....	Australia	50.07%	50.07%	100.00%	100.00%
73. GA8 Airvan Pty. Limited	Australia	50.07%	50.07%	100.00%	100.00%
74. GA200 Pty. Limited	Australia	50.07%	50.07%	100.00%	100.00%
75. Airvan Flight Services Pty. Limited	Australia	50.07%	50.07%	100.00%	100.00%
76. Nomad TC Pty. Limited	Australia	50.07%	50.07%	100.00%	100.00%
77. BAH Hotelanlagen AG	Austria	78.53%	82.58%	98.93%	98.93%
78. Bristlecone Consulting Limited	Canada	79.10%	79.60%	100.00%	100.00%
79. Bristlecone Limited.....	Cayman Islands	79.10%	79.60%		
80. Mahindra (China) Tractor Company Limited (upto 5 th September, 2012)	China		88.55%		
81. Mahindra Yueda (Yancheng) Tractor Company Limited.....	China	51.00%	51.00%		
82. Ssangyong Motor (Shanghai) Company Limited	China	70.04%	70.04%	100.00%	100.00%
83. Ssangyong (Yizheng) Auto Parts Manufacturing Company Limited.....	China	70.04%	70.04%	100.00%	100.00%
84. Jiangxi Mahindra Yueda Tractor Company Limited (w.e.f. 5 th September, 2012).....	China	45.58%		89.37%	
85. Mahindra Gears Cyprus Limited	Cyprus	53.34%	53.34%	100.00%	100.00%
86. Bristlecone GmbH.....	Germany	79.10%	79.60%	100.00%	100.00%
87. Mahindra Engineering GmbH	Germany	99.92%	99.93%	100.00%	100.00%
88. Mahindra Forgings Europe AG	Germany	52.97%	52.97%	100.00%	100.00%
89. Gesenkschmiede Schneider GmbH	Germany	52.97%	52.97%	100.00%	100.00%
90. JECO-Jellinghaus GmbH	Germany	52.97%	52.97%	100.00%	100.00%
91. Falkenroth Umformtechnik GmbH	Germany	52.97%	52.97%	100.00%	100.00%
92. Schöneweiss & Co. GmbH.....	Germany	52.97%	52.97%	100.00%	100.00%
93. MHR Hotel Management GmbH	Germany	59.54%	62.60%	75.00%	75.00%
94. Mahindra Europe S.r.l.	Italy	80.00%	80.00%		
95. Mahindra Graphic Research Design S.r.l.	Italy	100.00%	100.00%		
96. Metalcastello S.p.A.	Italy	51.00%	51.00%	95.61%	95.61%
97. Mahindra Racing S.r.l.	Italy	100.00%	100.00%		
98. Ssangyong Motor Company.....	South Korea	70.04%	70.04%		
99. Mahindra Overseas Investment Company (Mauritius) Limited..	Mauritius	100.00%	100.00%		
100. Mahindra-BT Investment Company (Mauritius) Limited.....	Mauritius	57.00%	57.00%		
101. Mahindra Forgings International Limited	Mauritius	52.97%	52.97%	100.00%	100.00%
102. Mahindra Forgings Global Limited.....	Mauritius	52.97%	52.97%	100.00%	100.00%
103. Mahindra Gears International Limited.....	Mauritius	100.00%	100.00%		
104. Mahindra Gears Global Limited.....	Mauritius	53.34%	53.34%		
105. Bristlecone (Malaysia) Sdn. Bhd.	Malaysia	79.10%	79.60%	100.00%	100.00%
106. Heritage Bird (M) Sdn. Bhd.	Malaysia	79.38%	83.47%	100.00%	100.00%
107. Ssangyong European Parts Center B.V.	Netherlands	70.04%	70.04%	100.00%	100.00%
108. Bristlecone (Singapore) Pte. Limited.....	Singapore	79.10%	79.60%	100.00%	100.00%
109. Mahindra & Mahindra South Africa (Proprietary) Limited.....	South Africa	100.00%	100.00%		
110. Bristlecone International AG.....	Switzerland	79.10%	79.60%	100.00%	100.00%
111. Mahindra MiddleEast Electrical Steel Service Centre (FZC)	UAE	90.00%	90.00%		
112. Mahindra Emirates Vehicle Armouring FZ-LLC.....	UAE	51.00%	51.00%		
113. Bristlecone UK Limited	U.K.	79.10%	79.60%	100.00%	100.00%

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest*		Proportion of voting power where different	
		as at 31-03-2013	as at 31-03-2012	as at 31-03-2013	as at 31-03-2012
114. Stokes Group Limited.....	U.K.	52.93%	52.93%	99.92%	99.92%
115. Stokes Forgings Dudley Limited.....	U.K.	52.93%	52.93%	100.00%	100.00%
116. Jensand Limited (Upto 26 th March, 2013).....	U.K.		52.93%		100.00%
117. Stokes Forgings Limited	U.K.	52.93%	52.93%	100.00%	100.00%
118. Mahindra Engineering Services (Europe) Limited	U.K.	99.92%	99.93%	100.00%	100.00%
119. Mahindra USA Inc.	U.S.A.	100.00%	100.00%		
120. Bristlecone Inc.	U.S.A.	79.10%	79.60%	100.00%	100.00%
121. Mahindra Holidays and Resorts USA Inc.	U.S.A.	79.38%	83.47%	100.00%	100.00%
122. Mahindra Technologies Services Inc.	U.S.A.	99.92%	99.93%	100.00%	100.00%
123. Mahindra Tractor Assembly Inc. (w.e.f. 25 th January, 2013)	U.S.A.	100.00%			
124. MH Boutique Hospitality Limited (w.e.f. 2 nd November, 2012)	Thailand	38.90%		49.00%	
125. Infinity Hospitality Group Company Limited (w.e.f. 5 th November, 2012).....	Thailand	58.73%		100.00%	

* excluding shares issued to ESOP Trusts of the respective entities/their holding companies but not allotted to employees as per the Guidance Note on Accounting for Employee Share Based Payments issued by 'The Institute of Chartered Accountants of India'.

(b) Interests in Joint Ventures :

The Group's interests in jointly controlled entities of the Group are :

Name of the Entity	Country of Incorporation	Percentage of ownership interest as at 31-03-2013	Percentage of ownership interest as at 31-03-2012
1. Mahindra Sona Limited	India	29.77%	29.77%
2. Mahindra Water Utilities Limited **	India	50.00%	50.00%
3. Mahindra Inframan Water Utilities Private Limited **	India	50.00%	50.00%
4. Tech Mahindra Limited (Upto 30 th August 2012).....	India		47.62%
5. Mahindra Solar One Private Limited #.....	India	26.00%	26.00%
6. Mahindra Finance USA LLC @	U.S.A.	49.00%	49.00%

** Shareholding is through a subsidiary, Mahindra Infrastructure Developers Limited.

Shareholding is through a subsidiary, Mahindra Holdings Limited.

@ Shareholding is through a subsidiary, Mahindra & Mahindra Financial Services Limited.

The financial statements of the Joint Ventures are drawn up to 31st March, 2013.

(c) Investments in Associates :

The Group's Associates are :

Name of the Entity	Country of Incorporation	Percentage of ownership interest as at 31-03-2013	Percentage of ownership interest as at 31-03-2012
1. Mahindra Construction Company Limited.....	India	43.83%	43.83%
2. Officemartindia.com Limited	India	50.00%	50.00%
3. Rathna Bhoomi Enterprises Private Limited.....	India	25.53%	25.53%
4. Kota Farm Services Limited	India	45.00%	45.00%
5. Mriyalguda Farm Solution Limited	India	45.00%	45.00%
6. Mega One Stop Farm Services Limited	India	45.00%	45.00%
7. Mahindra Composites Limited	India	35.37%	35.37%
8. Swaraj Engines Limited.....	India	33.22%	33.22%
9. Mahindra & Mahindra Contech Limited	India	35.16%	35.16%
10. Vayugrid Marketplace Services Private Limited	India	13.73%	21.83%
11. PSL Media & Communications Limited	India	36.12%	36.12%
12. Tech Mahindra Limited (w.e.f. 31 st August, 2012).....	India	47.39%	

2. Significant Accounting Policies :**(A) Basis of Accounting :**

The financial statements are prepared in accordance with the generally accepted accounting principles in India and comply with the Accounting Standards notified under sub-section (3C) of Section 211 of the Companies Act, 1956 and the relevant provisions thereof.

(B) Tangible Assets :

- (a) (i) Tangible assets are carried at cost less depreciation except as stated in (ii) below. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets upto the date the assets are ready for use. Where the acquisition of depreciable tangible assets are financed through long term foreign currency loans (having a term of 12 months or more at the time of their origination) the exchange differences on such loans are added to or subtracted from the cost of such depreciable tangible assets.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Statement of Profit and Loss.

- (ii) Land and Buildings, of the parent company had been revalued as at 31st October, 1984 at depreciated replacement values on the basis of a valuation made by a firm of Chartered Surveyors and Valuers. The indices, if any, used are not stated in the valuation.
- (b) (i) Leasehold land is amortised over the period of the lease.
- (ii) Depreciation on assets is calculated on Straight Line Method over its useful life estimated by management or on the basis of depreciation rates prescribed under respective local laws.
- (iii) Depreciation charge for each year is after deducting the amount representing the depreciation on the increase due to revaluation of Land and Buildings, transferred from the Revaluation Reserve.

(C) Intangible Assets :

Intangible Assets are initially measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed.

(a) Technical Knowhow :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding six years commencing with the year of purchase of the technology.

(b) Development Expenditure :

The expenditure incurred on technical services and other project/product related expenses are amortised over the estimated period of benefit, not exceeding five years.

(c) Software Expenditure :

The expenditure incurred is amortised over three financial years equally commencing from the year in which the expenditure is incurred.

(d) Websites :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding five years.

(e) Vacation Ownership :

The expenditure incurred on vacation ownership is amortised over a period of ten years.

(f) Trademarks :

The expenditure incurred is amortised over the estimated period of benefit, not exceeding ten years.

(g) Non-Compete Fees :

Non-Compete payments are amortised equally over the estimated period of benefit, not exceeding ten years.

(D) Impairment of Assets :

The carrying value of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised

for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

(E) Investments :

Long term investments, other than in Associates, are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary, in the value of investments. Current investments are valued at the lower of cost and fair value, determined by category of investment. Investments in Associates are accounted using the equity method.

(F) Inventories :

Inventories are stated at cost or net realisable value, whichever is lower. Cost is arrived at on a weighted average method and includes, where appropriate, manufacturing overheads and excise duty. Cost of the inventory, includes interest, where appropriate, for long term projects.

(G) Foreign Exchange Transactions :

Transactions in foreign currencies (other than firm commitments and highly probable forecast transactions) are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the year-end rates. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement as also on translation of monetary items at the end of the year (other than those relating to long term foreign currency monetary items) is recognised as income or expense, as the case may be.

Exchange differences relating to long term foreign currency monetary items, to the extent they are used for financing the acquisition of depreciable tangible assets are added to or subtracted from the cost of such depreciable tangible assets and the balance accumulated in 'Foreign Currency Monetary Item Translation Difference Account' and amortised over the balance term of the long term monetary item.

Any premium or discount arising at the inception of a forward exchange contract is recognised as income or expense over the life of the contract, except in the case where the contract is designated as a cash flow hedge.

(H) Derivative Instruments and Hedge Accounting :

The Company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Company does not hold derivative financial instruments for speculative purposes. The Company has applied to such contracts the hedge accounting principles set out in Accounting Standard 30 'Financial Instruments : Recognition and Measurement' (AS 30) by marking them to market at each reporting date.

Changes in the fair value of the contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

(I) Revenue Recognition :

(a) Sales of products and services including export benefits thereon are recognised when the products are shipped or services rendered. Excise duty recovered on sales is included in "Revenue from Operations".

(b) Long Term Contracts and Property Development Activity :

Income on long term contracts and property development activity is accounted on the percentage of completion basis which necessarily involves technical estimates of the percentage of completion of each contract/activity and costs to completion of the contract/activity, on the basis of which profits/losses are accounted. Such estimates, which are of a technical nature, have been made by the management and certified to the auditors.

Project management fees receivable on fixed period contracts are accounted over the tenure of the contract/agreement. Where the management fee is linked to the input costs, revenue is recognised as a proportion of the work completed based on progress claim submitted. Where the management fees are linked to the revenue generation from the project, revenue is recognised on the percentage of completion basis.

(c) Lease and Rental Income :

Land lease premium is recognised as income upon creation of leasehold rights in favour of the Lessee or upon an agreement to create leasehold rights with handing over of possession.

Property lease rental, income from operation and maintenance charges and water charges are recognised on an accrual basis as per terms of the agreement with the lessees.

(d) Income from loan, income from subvention/service/document charges :

Income from loan transactions is accounted for by applying the interest rate implicit in such contracts. Subvention received from dealers/manufacturers on retail cases is booked over the period of the contract. However, service charges and documentation charges are booked at the commencement of the contract.

(e) Vacation Ownership Business :

The activity of selling vacation ownership and providing holiday facilities to members for a specified period each year, over a number of years, for which membership fee is collected either in full up front, or on a deferred payment basis. Admission fee, which is non-refundable, is recognised as income on admission of member. Entitlement fee, which entitles the vacation ownership member for the vacation ownership facilities over the membership usage period, is recognised as income equally over the usage period. Request for cancellation of membership is accounted for when it is accepted.

(f) Income from Assignment :

In case of assignment of receivables, the assets are derecognised as all the rights, titles, future receivables and interest thereof are assigned to the purchaser. On derecognising, the difference between book value of the receivables assigned and consideration received as reduced by the estimated provision for loss/expense and incidental expenses related to the transaction is recognised as gain or loss arising on assignment.

(g) Dividends from investments are recognised in the Statement of Profit and Loss when the right to receive payment is established.

(J) Government Grants :

The Company, directly or indirectly through a consortium of Mahindra Group Companies, is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlement as income on accrual basis.

(K) Employee Benefits :

In respect of Defined Contribution Plan/Defined Benefit Plan/Long term Compensated Absences.

Group's contributions paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the Statement of Profit and Loss.

Contributions to Provident Fund are made to Trusts administered by group companies or Regional Provident Fund Commissioners and are charged to Statement of Profit and Loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investment and the interest payable to members at the rate declared by the Government of India.

Company's liability towards gratuity, long term compensated absences, post retirement medical benefit and post retirement housing allowance schemes are determined by independent actuaries, using the projected unit credit method. Past services are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

In respect of Employee Stock Option Scheme :

The compensation cost of stock options granted to employees is measured by the Intrinsic Value Method. The intrinsic value, which is the excess of the market price of the underlying equity shares as of the date of the grant over the exercise price of the option, is recognised and amortised on straight line basis over the vesting period.

(L) Borrowing Costs :

All borrowing costs are charged to the Statement of Profit and Loss except :

- (i) Borrowing costs that are attributable to the acquisition or construction of assets that necessarily take a substantial period of time to get ready for their intended use, which are capitalised as part of the cost of such assets.
- (ii) Expenses incurred on raising long term borrowings are amortised over the period of borrowings. On early buyback, conversion or repayment of borrowings, any unamortised expenditure is fully written off in that year.

(M) Product Warranty :

In respect of warranties given by the Company on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.

(N) Leases :

The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns, computer hardware etc.). The leasing arrangements, which are not non-cancellable, range between eleven months and five years generally, and are usually renewable by mutual consent on agreed terms. The aggregate lease rentals payable are charged as rent.

(O) Taxes on Income :

Current Tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred Tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax against which the MAT paid will be adjusted.

(P) Segment Reporting :

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segments are identified having regard to the dominant source and nature of risks and returns and internal organisation and management structure.

Revenues and expenses have been identified to the segments based on their relationship to the business activity of the segment.

Income/Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segments are reflected as unallocated corporate income/expenses. Inter-segment transfers are at prices which are generally market led.

3. Certain changes in Group Structure : During the year ended 31st March, 2013, the following changes in Group structure have taken place and the same have been appropriately dealt with in the Consolidated Financial Statements.

- (i) **Mahindra & Mahindra Financial Services Limited (MMFSL) :** MMFSL, a subsidiary came out with a Qualified Institutional Placement (QIP) wherein they placed 97,50,257 shares of Rs. 10/- each with Qualified Institutional Buyers (QIBs) at a premium of Rs. 879/- per share. This has led to a dilution of the M&M's holding in MMFSL from 56.72 % to 51.72%.
- (ii) **Tech Mahindra Limited (TML) :** During the year, pursuant to the sale of shares by the JV partner in TML leading to the partners shareholding falling below 10%, the Joint Venture agreement between the Company and the Joint Venture partner stood terminated thereby making TML an Associate company from a Joint Venture Company.
During the year TML has been proportionately consolidated line by line as a jointly controlled entity for five months and subsequently for the balance seven months only the Share of Profit/(Loss) in it was considered as an Associate under the equity accounting method.
- (iii) **Mahindra Navistar Automotives Limited (MNAL) :** The company had in November 2005 entered into an agreement with a Joint Venture Partner to manufacture Light Commercial Vehicles and Heavy Commercial Vehicles. During the year, the Joint Venture partner decided to exit the Joint Venture and M&M acquired the entire stake of its Joint Venture partner thereby increasing its stake in MNAL from 51% to 100% thereby making MNAL a wholly owned subsidiary of the Company.
- (iv) **Mahindra Navistar Engines Private Limited (MNEPL) :** The company had in November 2007 entered into an agreement with a Joint Venture Partner to manufacture engines for both on-highway and off-highway applications including for the medium and heavy commercial vehicle segment of MNAL products. During the year the Joint Venture partner decided to exit the Joint Venture and M&M acquired the entire stake of its Joint Venture partner thereby increasing its stake in MNEPL from 51% to 100% thereby making MNEPL a wholly owned subsidiary of the Company.
- (v) **Mahindra Holidays and Resorts India Limited (MHRIL) :** The Department of Economic Affairs of the Ministry of Finance by its notifications dated June 4, 2010 and August 9, 2010, had decided to increase the minimum public holding requirement for listed companies from 10% to 25% of their total paid-up capital by June 2013.
To comply with the same the Company sold 34,00,000 equity shares of Rs. 10/- thereby reducing its holding in MHRIL to 79.38%.
- (vi) **EPC Industrié Limited (EPCI) :** EPC Industrié Limited, engaged in the business of manufacturing and marketing micro irrigation system successfully completed its Rights Issue. As a result of the same, M&M's holding in EPC increased from 38.10% to 54.81%.

The previous year's figures are to that extent not strictly comparable to those of the current year.

MAHINDRA & MAHINDRA LIMITED (CONSOLIDATED)

4. Share Capital :

Rupees crores

	2013	2012
Authorised :		
1,20,00,00,000 Ordinary (Equity) Shares of Rs. 5 each.....	600.00	600.00
25,00,000 Unclassified Shares of Rs. 100 each	25.00	25.00
	625.00	625.00
Issued and Subscribed :		
61,39,80,756 (2012 : 61,39,74,839) Ordinary (Equity) Shares of Rs. 5 each fully paid up.....	306.99	306.99
Less :		
2,36,57,485 (2012 : 2,49,45,194) Ordinary (Equity) Shares of Rs. 5 each fully paid up issued to ESOP Trust but not allotted to employees	11.83	12.47
Adjusted : Issued and Subscribed Share Capital.....	295.16	294.52

(A) Reconciliation of number of Ordinary (Equity) Shares and amount outstanding :

	2013		2012	
	No. of shares	Rupees crores	No. of shares	Rupees crores
Issued and Subscribed :				
Balance as at the beginning of the year	61,39,74,839	306.99	61,39,40,109	306.97
Add :				
Shares issued under Schemes of Arrangement.....	5,917	*	34,730	0.02
Balance as at the end of the year	61,39,80,756	306.99	61,39,74,839	306.99
Less :				
Shares issued to ESOP Trust but not allotted to Employees [Note 5(O)]	2,36,57,485	11.83	2,49,45,194	12.47
Adjusted : Issued and Subscribed Share Capital.....	59,03,23,271	295.16	58,90,29,645	294.52

* denotes amounts less than Rs. 50,000

(B) The Ordinary (Equity) shares of the Company rank *pari-passu* in all respects including voting rights and entitlement to dividend.

(C) Details of Ordinary (Equity) shares held by shareholders holding more than 5% of the aggregate shares in the Company :

Name of the Shareholder	2013		2012	
	No. of shares	% shareholding	No. of shares	% shareholding
(i) Prudential Management and Services Pvt. Ltd.	6,99,86,970	11.40		
(ii) Life Insurance Corporation of India.....	6,52,03,016	10.62	8,47,14,974	13.80
(iii) M&M Benefit Trust	5,18,35,214	8.44	5,18,35,214	8.44
(iv) The Bank of New York Mellon (for GDR holders) ..	3,29,49,467	5.37	3,42,93,405	5.59

(D) Issued and Subscribed Share Capital includes an aggregate of 6,61,99,551 (2012 : 6,61,93,634) Ordinary (Equity) Shares of Rs. 5 each allotted as fully paid-up pursuant to Schemes of Arrangement without payment having been received in cash, for a period of five years immediately preceding the end of the financial year.

5. Reserves and Surplus :

Rupees crores

	2013	2012
(A) Capital Reserve :		
Balance as at the beginning of the year.....	27.37	23.54
Add :		
(i) Capital Grant during the year.....	—	3.83
(ii) Consequent to change in Group's Interest.....	0.28	—
Less :		
(i) Refund of grant.....	3.83	—
(ii) Transfer on sale of entity	0.33	—
Balance as at the end of the year.....	23.49	27.37
(B) Capital Reserve on Consolidation :		
Balance as at the beginning of the year.....	1,290.40	1,276.20
Add :		
On acquisition/increase in stake in subsidiaries during the year	9.96	14.62
Less :		
Consequent to change in Group's Interest.....	2.59	0.42
Balance as at the end of the year.....	1,297.77	1,290.40
(C) Securities Premium Account :		
Balance as at the beginning of the year.....	2,333.54	2,312.41
Add :		
On account of exercise of employee stock options.....	25.88	21.23
	2,359.42	2,333.64
Less :		
Applied, in accordance with Section 78 of the Companies Act, 1956, towards :		
(i) Writing-off of debenture issue expenses [Net of Tax of Rs. 0.05 crores (2012 : Rs. 0.05 crores)]	0.10	0.10
(ii) Consequent to change in Group's Interest.....	8.30	—
	2,351.02	2,333.54
Less :		
Premium on shares issued to ESOP Trust but not allotted to employees [Note 5(O)].....	76.67	78.25
Balance as at the end of the year.....	2,274.35	2,255.29
(D) Revaluation Reserve :		
Balance as at the beginning of the year.....	14.35	11.18
Add :		
On acquisition of new subsidiary.....	—	3.59
	14.35	14.77
Less :		
(i) Adjusted against depreciation for the year.....	0.35	0.28
(ii) Adjusted in respect of revalued Land and Buildings sold/demolished.....	0.01	0.14
Balance as at the end of the year.....	13.99	14.35

5. Reserves and Surplus : (contd.)

Rupees crores

	2013	2012
(E) General Reserve :		
Balance as at the beginning of the year.....	2,340.03	1,927.37
Add :		
(i) Transfer from Surplus in Statement of Profit and Loss.....	473.43	412.66
(ii) On account of employee stock options*	22.73	—
(iii) Transfer from Investment Fluctuation Reserve	1.09	—
(iv) Transfer from Debenture Redemption Reserve	0.20	—
	2,837.48	2,340.03
Less :		
(i) Consequent to change in Group's Interest.....	317.69	—
(ii) Transfer back to Investment Fluctuation Reserve.....	200.00	—
	2,319.79	2,340.03
Add :		
Bonus shares issued to ESOP trust but not allotted to employees [Note 5(O)].....	1.08	1.40
Balance as at the end of the year.....	2,320.87	2,341.43
*relating to shares other than those allotted by the Company to the ESOP Trust.		
(F) Debenture Redemption Reserve :		
Balance as at the beginning of the year.....	244.44	161.97
Add :		
Transfer from Surplus in Statement of Profit and Loss (Net)	108.68	82.47
	353.12	244.44
Less :		
(i) Consequent to change in Group's Interest.....	199.35	—
(ii) Transfer to General Reserve	0.20	—
Balance as at the end of the year.....	153.57	244.44
(G) Investment Fluctuation Reserve :		
Balance as at the beginning of the year.....	207.99	217.49
Add :		
(i) Provision no longer required written back	—	0.31
(ii) Transfer pursuant to Scheme of Arrangement	—	113.93
(iii) Adjustement to Deferred Tax on assets relating to a product development project...	66.29	—
(iv) Transfer back from General Reserve	200.00	—
	474.28	331.73
Less :		
(i) Provision made during the year [Net of tax of Rs. 1.42 crores (2012 : Rs. Nil)]	3.51	123.74
(ii) Transfer to General Reserve [Net of tax of Rs. 0.45 crores (2012 : Rs.Nil)].....	1.09	—
(iii) Provision for impairment of goodwill on consolidation.....	200.00	—
Balance as at the end of the year.....	269.68	207.99

5. Reserves and Surplus : (contd.)

Rupees crores

	2013	2012
(H) Capital Redemption Reserve :		
Balance as at the beginning and end of the year	90.32	90.32
(I) Statutory Reserve (under regulatory compliances) :		
Balance as at the beginning of the year.....	301.38	227.53
Add :		
Transfer from Statement of Profit and Loss	93.99	73.85
Balance as at the end of the year.....	395.37	301.38
(J) Hedging Reserve Account :		
Balance as at the beginning of the year	(246.42)	9.27
Consequent to change in Group's Interest	286.81	—
Loss on mark to market of hedging instruments designated and effective as hedges of future cash flows (net of tax)	(113.21)	(255.69)
Balance as at the end of the year.....	(72.82)	(246.42)
(K) Foreign Currency Translation Reserve :		
Balance as at the beginning of the year.....	309.73	(88.56)
Add :		
On currency translation during the year (Net).....	282.78	398.29
Balance as at the end of the year.....	592.51	309.73
(L) Employee Stock Options Outstanding :		
Balance as at the beginning of the year.....	257.77	243.23
Add :		
On account of options granted during the year.....	46.61	47.50
	304.38	290.73
Less :		
(i) Transfer to Securities Premium Account on exercise of options during the year.....	25.88	21.23
(ii) Transfer to General Reserve on account of employee stock options*	22.73	—
(iii) For options lapsed during the year.....	11.62	11.73
Balance as at the end of the year.....	244.15	257.77
Less :		
Deferred Employee Compensation Expense	112.69	147.07
Balance as at the end of the year.....	131.46	110.70
*relating to shares other than those allotted by the Company to the ESOP Trust.		
(M) Foreign Currency Monetary Items Translation Difference Account :		
Balance as at the beginning of the year.....	(66.40)	—
Add :		
Arising on revaluation of long term monetary assets and liabilities (net).....	(56.34)	(76.55)
	(122.74)	(76.55)
Less :		
Amortisation during the year.....	28.23	10.15
Balance as at the end of the year.....	(94.51)	(66.40)

5. Reserves and Surplus : (contd.)

Rupees crores

	2013	2012
(N) Surplus in Statement of Profit and Loss :		
Balance as at the beginning of the year	9,528.71	7,866.32
Add :		
(i) Consequent to change in Group's Interest.....	240.84	—
(ii) Profit for the year	4,099.20	3,126.66
	4,340.04	3,126.66
Less :		
(i) Transfer to Debenture Redemption Reserve (Net).....	108.68	82.47
(ii) Transfer to General Reserve	473.43	412.66
(iii) Transfer to Statutory Reserve	93.99	73.85
(iv) Income-tax on Dividend	32.01	26.68
(v) Proposed Dividend [Rs.13.00 per share (2012 : Rs. 12.50 per share)]	798.17	767.48
(vi) Income-tax on Proposed Dividend	92.98	101.13
	1,599.26	1,464.27
Balance as at the end of the year.....	12,269.49	9,528.71
Total Reserves and Surplus *	19,665.54	16,409.29

* [including Group Share of Joint Ventures Rs. 74.80 crores (2012 : Rs. 1,907.58 crores)]

- (O) The Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India requires that shares allotted to a trust but not transferred to employees be reduced from Share Capital and Reserves and Surplus. Accordingly, the Company has reduced the Share Capital by Rs. 10.75 crores (2012 : Rs.11.07 crores) and Securities Premium Account by Rs. 76.67 crores (2012 : Rs. 78.25 crores) for the 2,15,05,260 shares of Rs. 5 each (2012 : 2,21,49,114 shares of Rs. 5 each) held by the trust pending transfer to the eligible employees.

The Share Capital of the Company has also been reduced and the General Reserve increased by Rs. 1.08 crores (2012 : Rs. 1.40 crores) for the 21,52,225 bonus shares of Rs. 5 each (2012 : 27,96,080 bonus shares of Rs. 5 each) issued by the Company in September, 2005 to the trust but not yet transferred by the trust to the employees.

The above monies which are treated as advance received from the Trust, is included under Other Current Liabilities and Other Long Term Liabilities.

6. Long Term Borrowings :

Rupees crores

	2013	2012
(A) Secured :		
(i) Debentures/Bonds.....	4,496.27	3,674.71
(ii) Term Loan from Banks.....	8,963.96	6,952.86
(iii) Term Loan from Other Parties	390.84	386.04
(iv) Other Loans.....	1.36	1.24
	13,852.43	11,014.85
Group Share of Joint Ventures.....	273.69	592.09
	14,126.12	11,606.94
(B) Unsecured :		
(i) Debentures/Bonds.....	594.10	510.10
(ii) Term Loan from Banks.....	1,740.20	1,805.78
(iii) Fixed Deposits.....	1,979.77	1,078.96
(iv) Other Loans.....	1,420.07	1,038.08
	5,734.14	4,432.92
	19,860.26	16,039.86

Secured borrowings are secured by a *pari-passu* charge on immovable properties of certain entities both present and future, subject to certain exclusions and are also secured by *pari-passu* charge on the movable properties of certain entities including movable machinery, machinery spares, tools and accessories, both present and future, subject to certain exclusions.

6. Long Term Borrowings : (contd.)

Rupees crores

	2013	2012
Borrowings repayable schedule :		
(a) Secured* :		
(i) In the first year (Note 12).....	4,871.45	3,656.01
(ii) In the second year.....	6,165.95	5,046.89
(iii) In the third to fifth year.....	7,729.90	6,400.14
(iv) Above five years.....	230.27	159.91
	18,997.57	15,262.95
* Above amount includes current maturities of long term debt in note 12 and Group Share of Joint Ventures.		
(b) Unsecured* :		
(i) In the first year (Note 12).....	713.62	529.91
(ii) In the second year.....	941.53	705.18
(iii) In the third to fifth year.....	3,339.67	2,373.76
(iv) Above five years.....	1,452.94	1,353.98
	6,447.76	4,962.83

* Above amount includes current maturities of long term debt in note 12 and Group Share of Joint Ventures.

7A. Deferred Tax Liabilities (Net) :

The components of Deferred Tax Liabilities and Assets are as under :

Rupees crores

	2013	2012
Deferred Tax Liabilities :		
(i) On fiscal allowances on fixed assets.....	1,046.55	870.05
(ii) Others.....	108.83	72.62
	1,155.38	942.67
Group Share of Joint Ventures	1.22	1.07
Total Deferred Tax Liabilities.....	1,156.60	943.74
Deferred Tax Assets :		
(i) On provision for employee benefits.....	158.77	130.73
(ii) On provision for doubtful debts/advances.....	19.21	24.69
(iii) On unabsorbed depreciation carried forward #.....	—	1.12
(iv) Others.....	84.63	64.15
	262.61	220.69
Group Share of Joint Ventures	0.49	0.43
Total Deferred Tax Assets.....	263.10	221.12
Net Deferred Tax Liabilities.....	893.50	722.62

(Considered, as there are compensatory timing differences the reversal of which, will result in sufficient future taxable income against which this can be realised)

7B. Deferred Tax Assets (Net) :

The components of Deferred Tax Liabilities and Assets are as under :

	Rupees crores	
	2013	2012
Deferred Tax Liabilities :		
(i) On fiscal allowances on fixed assets.....	17.75	9.53
(ii) Others.....	8.77	19.56
	26.52	29.09
Group Share of Joint Ventures	0.01	0.01
Total Deferred Tax Liabilities.....	26.53	29.10
Deferred Tax Assets :		
(i) On provision for employee benefits.....	10.22	8.90
(ii) On provision for doubtful debts/advances.....	205.87	201.39
(iii) On unabsorbed depreciation carried forward #	16.60	21.82
(iv) Others.....	132.08	87.50
	364.77	319.61
Group Share of Joint Ventures	0.12	47.65
Total Deferred Tax Assets.....	364.89	367.26
Net Deferred Tax Assets	338.36	338.16

(Considered, as there are compensatory timing differences the reversal of which, will result in sufficient future taxable income against which this can be realised)

8. Other Long Term Liabilities :

	Rupees crores	
	2013	2012
(i) Trade Payables	204.84	49.62
(ii) Advance towards vacation ownership membership facilities.....	1,253.11	1,067.92
(iii) Interest accrued but not due on borrowings.....	160.15	39.64
(iv) Others.....	485.30	288.61
	2,103.40	1,445.79
Group Share of Joint Ventures	—	215.60
	2,103.40	1,661.39

Others include dealer deposits, advance from customers, payable for investments, gratuity payable and monies adjusted from share capital and reserves & surplus on account of shares held by ESOP Trust pending transfer to the eligible employees.

9. Long Term Provisions :

Rupees crores

	2013	2012
(i) Provision for Employee Benefits	1,493.95	1,487.97
(ii) Provision for Estimated Loss/Expenses on Assignment	155.64	197.54
(iii) Provision for Warranty [Note 31]	503.49	445.23
(iv) Provision for Standard assets [Note 31]	54.85	25.03
(v) Provision others.....	40.31	10.01
	2,248.24	2,165.78
Group Share of Joint Ventures	3.39	93.59
	2,251.63	2,259.37

10. Short Term Borrowings :

Rupees crores

	2013	2012
(A) Secured :		
(i) Loans repayable on demand from banks and cash credit accounts from banks.....	2,355.33	2,060.54
(ii) Other loans and advances.....	57.78	2.11
	2,413.11	2,062.65
Group Share of Joint Ventures.....	309.76	17.71
	2,722.87	2,080.36
(B) Unsecured :		
(i) Loans repayable on demand from banks.....	261.70	128.58
(ii) Fixed Deposits.....	34.33	14.08
(iii) Other loans and advances.....	349.12	425.98
	645.15	568.64
Group Share of Joint Ventures.....	0.46	245.86
	645.61	814.50
	3,368.48	2,894.86

Loans and Advances from Banks are secured by a first charge on certain current assets namely inventories, certain book debts, outstanding monies, receivables, claims, etc. both present and future.

11. Trade Payables :

Rupees crores

	2013	2012
(i) Acceptances	2,714.53	1,828.55
(ii) Total Payables.....	9,171.56	7,961.13
	11,886.09	9,789.68
Group Share of Joint Ventures	14.19	253.80
	11,900.28	10,043.48

12. Other Current Liabilities :

Rupees crores

	2013	2012
(i) Current maturities of long term debt	5,482.31	4,185.82
(ii) Interest accrued but not due on borrowings.....	203.60	204.08
(iii) Interest accrued and due on borrowings.....	15.37	9.87
(iv) Advance towards vacation ownership membership facilities.....	115.44	110.07
(v) Dividend Payable	11.83	10.19
(vi) Unclaimed matured deposits and interest accrued thereon	0.72	1.94
(vii) Other payables.....	2,832.10	2,172.61
	8,661.37	6,694.58
Group Share of Joint Ventures	141.50	324.52
	8,802.87	7,019.10

Other payables mainly include advance from customers, capital creditors, government dues and taxes payable, gratuity payable and salary deductions payable.

13. Short Term Provisions :

Rupees crores

	2013	2012
(i) Provision for Employee Benefits	244.82	218.29
(ii) Proposed Dividend.....	798.17	767.48
(iii) Provision for Tax on Proposed Dividend.....	92.98	101.13
(iv) Provision for Warranty [Note 31].....	478.48	428.92
(v) Provision for Estimated Loss/Expenses on Assignment.....	41.90	31.93
(vi) Provision for Standard assets [Note 31]	43.74	20.58
(vii) Provision for losses to Project Completion	10.23	10.23
(viii) Provision for Taxation.....	287.32	271.68
(ix) Others.....	32.96	46.64
	2,030.60	1,896.88
Group Share of Joint Ventures	1.10	19.24
	2,031.70	1,916.12

14. Fixed Assets :

Rupees crores

Description of Assets	Cost/ Professional valuation as at 31st March, 2012	Additions during the year	Other Adjustments during the year	Deductions and adjustments during the year	Cost/ Professional valuation as at 31st March, 2013	Depreciation/ Amortisation upto 31st March, 2012	Depreciation/ Amortisation for 2012-2013	Deductions and Adjustments of Depreciation/ Amortisation	Depreciation/ Amortisation upto 31st March, 2013	Net Balance before Impairment as at 31st March, 2013	Impairment as at 31st March, 2013	Net Balance after Impairment as at 31st March, 2013
A : Tangible Assets												
Land – Freehold.....	2,371.23	70.85	174.42	2.98	2,613.52	—	—	—	—	2,613.52	—	2,613.52
	2,095.29	20.99	260.89	5.94	2,371.23	—	—	—	—	2,371.23	—	2,371.23
Land – Leasehold	547.08	18.42	5.44	—	570.94	31.51	9.09	(0.42)	41.02	529.92	—	529.92
	503.60	35.56	11.51	3.59	547.08	22.58	8.54	(0.39)	31.51	515.57	—	515.57
Buildings – Freehold	5,965.39	482.23	248.77	35.10	6,661.29	1,523.15	160.45	(66.62)	1,750.22	4,911.07	922.65	3,988.42
	5,162.67	552.53	384.97	134.78	5,965.39	1,353.54	139.23	(30.38)	1,523.15	4,442.24	857.43	3,584.81
Buildings – Leasehold	52.96	15.49	0.17	3.65	64.97	18.35	9.46	2.92	24.89	40.08	0.24	39.84
	44.24	13.28	0.79	5.35	52.96	13.46	7.19	2.30	18.35	34.61	—	34.61
Plant and Equipment – Freehold	19,553.06	1,788.99	860.74	192.02	22,010.77	11,595.27	1,266.89	(375.91)	13,238.07	8,772.70	1,300.32	7,472.38
	16,643.13	1,992.24	1,290.52	372.83	19,553.06	9,911.16	1,094.32	(589.79)	11,595.27	7,957.79	1,206.10	6,751.69
Plant and Equipment – Leasehold	88.58	22.66	1.40	—	112.64	59.06	7.06	(1.06)	67.18	45.46	—	45.46
	79.96	3.37	5.26	0.01	88.58	49.69	5.67	(3.70)	59.06	29.52	—	29.52
Office Equipment.....	189.71	36.05	0.39	8.86	217.29	76.48	22.22	4.55	94.15	123.14	0.04	123.10
	138.78	51.78	1.25	2.10	189.71	54.14	18.40	(3.94)	76.48	113.23	—	113.23
Furniture and Fixtures.....	1,020.36	131.91	27.42	69.98	1,109.71	627.12	90.11	43.26	673.97	435.74	28.25	407.49
	767.24	305.08	49.13	101.09	1,020.36	456.07	87.09	(83.96)	627.12	393.24	28.25	364.99
Aircraft	56.82	—	—	—	56.82	3.64	3.19	—	6.83	49.99	—	49.99
	56.82	—	—	—	56.82	0.45	3.19	—	3.64	53.18	—	53.18
Vehicles – Freehold	361.35	100.33	4.91	42.01	424.58	164.35	49.54	25.34	188.55	236.03	8.13	227.90
	295.80	98.53	8.38	41.36	361.35	148.24	40.91	24.80	164.35	197.00	8.01	188.99
Vehicles – Leasehold.....	1.34	—	—	—	1.34	0.14	—	—	0.14	1.20	—	1.20
	1.34	—	—	—	1.34	0.15	—	0.01	0.14	1.20	—	1.20
Sub Total	30,207.88	2,666.93	1,323.66	354.60	33,843.87	14,099.07	1,618.01	(367.94)	16,085.02	17,758.85	2,259.63	15,499.22
	25,788.87	3,073.36	2,012.70	667.05	30,207.88	12,009.48	1,404.54	(685.05)	14,099.07	16,108.81	2,099.79	14,009.02
Group Share of Joint Ventures ...	698.53	96.97	0.38	752.18	43.70	368.45	33.13	389.64	11.94	31.76	—	31.76
	627.46	104.95	0.39	34.27	698.53	325.59	72.63	29.77	368.45	330.08	—	330.08
Sub Total A	30,906.41	2,763.90	1,324.04	1,106.78	33,887.57	14,467.52	1,651.14	21.70	16,096.96	17,790.61	2,259.63	15,530.98
	26,416.33	3,178.31	2,013.09	701.32	30,906.41	12,335.07	1,477.17	(655.28)	14,467.52	16,438.89	2,099.79	14,339.10

14. Fixed Assets : (contd.)

Description of Assets	Rupees crores											
	Cost/ Professional valuation as at 31st March, 2012	Additions during the year	Other Adjustments during the year	Deductions and adjustments during the year	Cost/ Professional valuation as at 31st March, 2013	Depreciation/ Amortisation upto 31st March, 2012	Depreciation/ Amortisation for 2012-2013	Deductions and Adjustments of Depreciation/ Amortisation	Depreciation/ Amortisation upto 31st March, 2013	Net Balance before Impairment as at 31st March, 2013	Impairment as at 31st March, 2013	Net Balance after Impairment as at 31st March, 2013
B : Intangible Assets												
Technical Knowhow	174.17	28.67	—	98.08	104.76	134.94	21.12	98.07	57.99	46.77	—	46.77
	173.21	0.96	—	—	174.17	65.76	29.95	(39.23)	134.94	39.23	—	39.23
Development Expenditure	1,460.76	341.36	88.88	8.73	1,882.27	850.13	343.04	(60.30)	1,253.47	628.80	—	628.80
	1,095.86	251.42	101.23	(12.25)	1,460.76	526.66	266.76	(56.71)	850.13	610.63	—	610.63
Computer Software	280.15	56.19	3.70	4.60	335.44	206.27	65.72	1.86	270.13	65.31	—	65.31
	239.08	36.59	5.95	1.47	280.15	142.28	60.26	(3.73)	206.27	73.88	—	73.88
Websites	4.11	—	—	—	4.11	3.78	0.17	—	3.95	0.16	—	0.16
	4.11	—	—	—	4.11	3.61	0.17	—	3.78	0.33	—	0.33
Non-Compete Fees.....	3.73	—	—	—	3.73	1.44	0.40	—	1.84	1.89	—	1.89
	3.73	—	—	—	3.73	1.04	0.40	—	1.44	2.29	—	2.29
Vacation Ownership	0.62	—	—	0.62	—	0.62	—	0.62	—	—	—	—
	0.62	—	—	—	0.62	0.56	0.06	—	0.62	—	—	—
Trademarks.....	34.11	1.94	1.48	—	37.53	22.58	2.50	(0.76)	25.84	11.69	0.18	11.51
	22.35	9.67	2.09	—	34.11	12.38	2.57	(7.63)	22.58	11.53	0.06	11.47
Other Intangible	56.98	8.53	(16.74)	4.51	44.26	26.62	5.76	15.98	16.40	27.86	3.38	24.48
	58.68	7.19	3.59	12.48	56.98	27.60	6.21	7.19	26.62	30.36	—	30.36
Sub Total	2,014.63	436.69	77.32	116.54	2,412.10	1,246.38	438.71	55.47	1,629.62	782.48	3.56	778.92
	1,597.64	305.83	112.86	1.70	2,014.63	779.89	366.38	(100.11)	1,246.38	768.25	0.06	768.19
Group Share of Joint Ventures	11.25	4.95	0.25	16.16	0.29	6.29	4.30	10.40	0.19	0.10	—	0.10
	3.86	9.52	—	2.13	11.25	2.38	5.50	1.59	6.29	4.96	—	4.96
Sub Total B	2,025.88	441.64	77.57	132.70	2,412.39	1,252.67	443.01	65.87	1,629.81	782.58	3.56	779.02
	1,601.50	315.35	112.86	3.83	2,025.88	782.27	371.88	(98.52)	1,252.67	773.21	0.06	773.15
C : Capital Work-in-Progress	—	—	—	—	—	—	—	—	—	1,040.78	0.57	1,040.21
	—	—	—	—	—	—	—	—	—	1,031.40	—	1,031.40
Group Share of Joint Ventures	—	—	—	—	—	—	—	—	—	79.29	—	79.29
	—	—	—	—	—	—	—	—	—	99.85	—	99.85
Sub Total C	—	—	—	—	—	—	—	—	—	1,120.07	0.57	1,119.50
	—	—	—	—	—	—	—	—	—	1,131.25	—	1,131.25
D : Intangible Assets under Development	—	—	—	—	—	—	—	—	—	511.70	—	511.70
	—	—	—	—	—	—	—	—	—	356.35	—	356.35
Group Share of Joint Ventures	—	—	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	0.69	—	0.69
Sub Total D	—	—	—	—	—	—	—	—	—	511.70	—	511.70
	—	—	—	—	—	—	—	—	—	357.04	—	357.04
Grand Total (A+B+C+D)	32,932.29	3,205.54	1,401.61	1,239.48	36,299.96	15,720.19	2,094.15	87.57	17,726.77	20,204.96	2,263.76	17,941.20
	28,017.83	3,493.66	2,125.95	705.15	32,932.29	13,117.34	1,849.05	(753.80)	15,720.19	18,700.39	2,099.85	16,600.54

14. Fixed Assets : (contd.)

The above includes following assets given on operating lease :

Rupees crores

Particulars	As at 31 st March, 2013			2013
	Gross Block	Accumulated Depreciation	Net Block	Depreciation charge for the year
Building – Freehold	108.65	7.36	101.29	2.12
	92.58	5.24	87.34	1.81
Plant and Equipment – Freehold	11.08	2.06	9.02	0.88
	10.81	1.28	9.53	0.70
Furniture and Fixtures.....	13.91	5.87	8.04	1.47
	13.91	4.40	9.51	1.47
Total	133.64	15.29	118.35	4.47
	117.30	10.92	106.38	3.98

Current year figures are in Bold.

- (a) Other Adjustments during the year includes Translation difference of opening balance, Difference in exchange and Interest capitalised.
- (b) Depreciation charge for the year excludes :
- An amount of **Rs. 0.35 crores** (2012 : Rs. 0.28 crores), representing depreciation on the increase due to revaluation of Land and Buildings transferred from Revaluation Reserve.
 - An amount of **Rs. Nil crores** (2012 : Rs. 0.05 crores), representing depreciation on asset used for development work. This expenditure is transferred to Development Expenditure and is appropriately amortised.
- (c) The revaluation reserve is adjusted for an amount of **Rs. 0.01 crores** (2012 : Rs. 0.14 crores) in respect of revalued Land and Building sold/demolished during the year.
- (d) Impairment charge for the year to Statement of Profit & Loss is given below :

Rupees crores

Particulars	Charge for the year
Building – Leasehold	0.24
Plant and Equipment – Freehold	0.23
Office Equipment	0.04
Furniture and Fixtures.....	0.12
Trademarks.....	0.11
Other Intangible.....	3.38
Capital Work-in-Progress.....	0.57
Total	4.69

- (e) Addition to tangible and intangible assets and depreciation/amortisation for the year include the following assets and accumulated depreciation/amortisation taken over on acquisition of subsidiaries :

Rupees crores

Description of Assets	As at 31 st March, 2013		As at 31 st March, 2012	
	Cost	Accumulated Depreciation/Amortisation	Cost	Accumulated Depreciation/Amortisation
Land – Freehold	34.94	—	5.33	—
Land – Leasehold.....	—	—	3.94	0.57
Buildings – Freehold.....	48.02	10.10	43.76	7.82
Buildings – Leasehold.....	—	—	0.23	0.19
Plant and Equipment	3.02	1.48	57.51	31.55
Furniture and Fixtures.....	2.59	1.11	7.98	3.72
Vehicles.....	0.22	0.14	1.52	0.88
Office Equipment	0.81	0.65	1.53	0.91
Computer Software.....	0.08	0.07	1.98	1.41
Other Intangible.....	3.41	0.39	—	—
Total	93.09	13.94	123.78	47.05

15. (A) Non Current Investments (At Cost, unless otherwise specified)

Rupees crores

	2013	2012
	Long Term	Long Term
Investments in Equity Instruments : (Trade and fully paid-up)		
Unquoted :		
(i) In Associate Companies.....	1.77	1.58
(ii) In Other Companies.....	12.03	12.03
	13.80	13.61
Quoted :		
(i) In Associate Companies.....	2,747.44	51.07
	2,761.24	64.68
Investments in Equity Instruments : (Non trade and fully paid-up)		
Unquoted :		
(i) In Other Companies.....	94.42	50.08
	94.42	50.08
Quoted :		
(i) In Other Companies.....	2.39	2.39
	2.39	2.39
Investment in Equity Instruments.....	2,858.05	117.15
Investment in Preference Shares : (Trade and fully paid-up)		
Unquoted :		
(i) In Associate Companies.....	5.64	5.64
(ii) In Other Companies.....	15.17	15.17
	20.81	20.81
Investment in Preference Shares : (Non-trade and fully paid-up)		
Unquoted :		
(i) In Other Companies.....	33.61	37.15
Investment in Preference Shares.....	54.42	57.96
Investment in Government/Trust Securities		
Unquoted :		
(i) Government Securities	0.01	0.01
(ii) Trust Securities	1,562.93	1,558.84
	1,562.94	1,558.85
Quoted :		
(i) Government Securities	241.68	147.26
Investment in Government/Trust Securities	1,804.62	1,706.11
Investment in Debentures/Bonds : (Trade and fully paid-up)		
Unquoted :		
(i) In Associate Companies.....	—	8.00
Other Investments :		
Unquoted :		
(i) In Other Companies.....	2.81	2.60
	4,719.90	1,891.82
Group Share of Joint Ventures.....	0.06	1,637.82
	4,719.96	3,529.64
Less : Provision for diminution in value of Long Term Investments.....	93.76	103.00
	4,626.20	3,426.64
Other Disclosures :		
(i) Aggregate amount of quoted Investments (Gross)	2,991.51	200.72
Market Value of quoted Investments.....	6,844.81	321.06
(ii) Aggregate amount of unquoted Investments (Gross)	1,728.45	3,328.92

15. (B) Current Investments (At Cost, unless otherwise specified)

Rupees crores

	2013	2012
	Current	Current
Investment in Government Securities (Quoted) :	1.91	1.91
Investment in Debentures/Bonds (Quoted) :	78.32	83.32
Other Investments (Unquoted) :		
(i) Units of Mutual Funds.....	920.28	821.46
(ii) Certificate of Deposits.....	813.79	939.39
	1,814.30	1,846.08
Group Share of Joint Ventures.....	0.01	76.43
	1,814.31	1,922.51
Less : Aggregate excess of cost over fair value, by category.....	0.10	1.94
	1,814.21	1,920.57
Other Disclosures :		
(i) Aggregate amount of quoted Investments (Gross).....	80.23	85.23
Market Value of quoted Investments.....	80.13	83.50
(ii) Aggregate amount of unquoted Investments (Gross)	1,734.08	1,837.28

16. Long Term Loans and Advances :

Rupees crores

	2013	2012
(A) Capital Advances :		
Unsecured, considered good	475.24	507.93
Doubtful.....	1.69	1.95
	476.93	509.88
Less : Provision for doubtful capital advances	1.69	1.95
	475.24	507.93
(B) Security Deposits :		
Secured, considered good.....	0.50	0.21
Unsecured, considered good	264.30	226.63
Doubtful.....	1.22	2.36
	266.02	229.20
Less : Provision for doubtful security deposits.....	1.22	2.36
	264.80	226.84
(C) Loans and Advances to Related Parties :		
Unsecured, considered good	8.80	7.00
Doubtful.....	10.00	10.00
	18.80	17.00
Less : Provision for doubtful Loans and Advances to Related Parties....	10.00	10.00
	8.80	7.00
(D) Loans and Advances against Assets :		
Secured, considered good.....	13,285.64	9,362.28
Unsecured, considered good	47.37	53.73
Doubtful.....	162.15	181.35
	13,495.16	9,597.36
Less : Provision for doubtful assets	91.72	127.41
	13,403.44	9,469.95

16. Long Term Loans and Advances : (contd.)

Rupees crores

	2013	2012
(E) Other Loans and Advances :		
Secured, considered good.....	6.30	6.00
Unsecured, considered good	2,225.41	1,593.43
Doubtful.....	10.30	11.47
	2,242.01	1,610.90
Less : Provision for doubtful Other Loans and Advances	10.30	11.47
	2,231.71	1,599.43
	16,383.99	11,811.15
Group Share of Joint Ventures.....	588.60	123.68
	16,972.59	11,934.83

Other Loans and Advances includes VAT receivable, payment towards income-tax & surtax, other recoverable expenses and advances to employees.

17. Other Non-Current Assets :

Rupees crores

	2013	2012
(A) Long Term Trade Receivables		
Unsecured, considered good	329.63	363.35
Doubtful.....	0.44	0.46
	330.07	363.81
Less : Provision for doubtful Long Term Trade Receivables.....	0.44	0.46
	329.63	363.35
(B) Others	229.00	47.78
	558.63	411.13
Group Share of Joint Ventures.....	15.37	47.51
	574.00	458.64

18. Inventories :

Rupees crores

	2013	2012
(i) Raw Materials and Bought-out Components [includes in transit Rs. 648.70 crores (2012 : Rs. 391.07 crores)].....	3,152.11	2,713.83
(ii) Contracts and Work-in-Progress.....	684.81	750.23
(iii) Work-in-Progress – Property Development Activity and Long term Contracts.....	1,558.81	970.68
(iv) Manufactured Component	156.90	112.30
(v) Finished Products produced	2,066.15	1,956.85
(vi) Stock-in-Trade [includes in transit Rs. 121.15 crores (2012 : Rs. 91.80 crores)]	602.67	470.98
(vii) Stores and spares	122.54	114.55
(viii) Loose Tools	56.36	55.41
(ix) Food, Beverages, Smokes and Operating Supplies.....	7.17	4.20
	8,407.52	7,149.03
Group Share of Joint Ventures	9.38	8.64
	8,416.90	7,157.67

19. Trade Receivables :

Rupees crores

	2013	2012
(A) Secured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	0.53	0.44
Others.....	122.60	179.09
	123.13	179.53
(B) Unsecured, considered good		
Outstanding for a period exceeding six months from the date they are due for payment	532.64	305.75
Others.....	4,499.96	4,212.96
	5,032.60	4,518.71
(C) Doubtful		
Outstanding for a period exceeding six months from the date they are due for payment	113.96	117.39
Others.....	16.63	14.13
	130.59	131.52
Less : Provision for doubtful Trade Receivables	130.59	131.52
	—	—
	5,155.73	4,698.24
Group Share of Joint Ventures.....	21.24	646.82
	5,176.97	5,345.06

20. Cash and Bank Balances :

Rupees crores

	2013	2012
(A) Cash and Cash Equivalents :		
Balances with Banks :		
(i) On Current Accounts.....	1,535.26	1,026.24
(ii) Fixed Deposits with original maturity less than 3 months.....	1,804.42	1,679.75
	3,339.68	2,705.99
Cheques, drafts on hand.....	445.67	300.82
Cash on hand	25.88	11.49
Group Share of Joint Ventures.....	11.61	120.58
	3,822.84	3,138.88
(B) Other Bank Balances :		
Earmarked balances with banks.....	38.81	18.20
Balances with Banks :		
(i) On Margin Accounts	95.29	68.75
(ii) Fixed Deposits with original maturity greater than 3 months* ...	786.34	232.94
	881.63	301.69
Group Share of Joint Ventures.....	16.92	25.95
	937.36	345.84
	4,760.20	3,484.72

* Includes deposits of Rs. 122.69 crores (2012 : Rs. 68.81 crores) with maturity greater than 12 months from Balance Sheet date.

21. Short Term Loans and Advances :

Rupees crores

	2013	2012
(A) Loans and Advances to Related Parties :		
Unsecured, considered good	47.44	7.53
Doubtful.....	6.42	6.42
	53.86	13.95
Less : Provision for doubtful Loans and Advances to Related Parties...	6.42	6.42
	47.44	7.53
(B) Loans and Advances against Assets/Finance Receivables :		
Secured, considered good.....	9,437.68	7,107.38
Unsecured, considered good	129.27	128.55
Doubtful.....	477.19	262.13
	10,044.14	7,498.06
Less : Provision for doubtful Loans and Advances against Assets	287.69	194.10
	9,756.45	7,303.96
(C) Other Loans and Advances :		
Secured, considered good.....	36.31	44.66
Unsecured, considered good	2,996.39	2,166.71
Doubtful.....	47.27	51.73
	3,079.97	2,263.10
Less : Provision for doubtful other Loans and Advances	47.27	51.73
	3,032.70	2,211.37
	12,836.59	9,522.86
Group Share of Joint Ventures.....	169.97	454.48
	13,006.56	9,977.34

Other Loans and Advances includes balances with government authorities, MAT credit entitlement, advance to suppliers, other recoverable expenses, deposits and prepaid expenses.

22. Other Current Assets :

Rupees crores

	2013	2012
(i) Government Grant Receivable.....	366.98	291.06
(ii) Others.....	485.27	631.27
	852.25	922.33
Less : Provision for doubtful other current assets	23.56	27.64
	828.69	894.69
Group Share of Joint Ventures	16.57	160.89
	845.26	1,055.58

23. Revenue from Operations :

Rupees crores

		2013	2012
Sale of Products.....		64,638.16	53,997.53
Sale of Services.....		2,004.28	1,652.59
Group Share of Joint Ventures		1,279.49	2,668.60
Gross Revenue from Sale of Products and Services.....		67,921.93	58,318.72
Other Operating Revenues :			
(i) Income from long term contracts.....	492.03		545.21
(ii) Lease and rental income.....	191.32		129.84
(iii) Scrap Sales	477.54		441.17
(iv) Interest income of financial enterprises consolidated.....	3,976.01		2,824.64
(v) Dividend Income of Investment enterprises consolidated	0.52		1.04
(vi) Government Grant and Incentives	365.88		288.61
(vii) Others.....	579.42		405.95
Group Share of Joint Ventures	9.40		56.61
		6,092.12	4,693.07
		74,014.05	63,011.79
Less: Excise Duty attributable to products sold.....		5,278.39	3,612.85
		68,735.66	59,398.94

24. Other Income :

Rupees crores

		2013	2012
(i) Interest Income :			
(a) Interest – Current Investments.....	5.95		5.52
(b) Interest – others	139.27		98.58
		145.22	104.10
(ii) Dividends on long term Investments.....		0.15	0.25
(iii) Dividends on current Investments		79.31	61.99
(iv) Profit on sale of long term Investments (Net)		—	6.99
(v) Profit on sale of current Investments (Net).....		76.69	51.32
(vi) Profit on sale of tangible assets (Net).....		1.23	12.30
(vii) Other non operating Income		83.25	99.90
		385.85	336.85
Group Share of Joint Ventures		3.09	9.16
		388.94	346.01

25. Cost of Materials Consumed :

Rupees crores

		2013	2012
Opening Stock		2,713.83	2,213.45
Add : Purchases		39,437.92	35,627.85
		42,151.75	37,841.30
Add : Stock taken over on Acquisition		—	9.63
		42,151.75	37,850.93
Less : Closing Stock.....		3,152.11	2,713.83
		38,999.64	35,137.10
Group Share of Joint Ventures		62.37	53.12
		39,062.01	35,190.22

26. Changes in Inventories of Finished Goods, Work-in-Progress, Stock-in-Trade and Manufactured Components :

Rupees crores

	2013	2012
Opening Stock :		
(i) Finished Products Produced.....	1,956.85	1,100.20
(ii) Contracts and Work-in-Progress.....	750.23	628.61
(iii) Stock-in-Trade.....	470.98	282.96
(iv) Manufactured Components.....	112.30	116.12
	3,290.36	2,127.89
Add : Stock on Acquisition/(Disposal).....		
(i) Finished Products Produced.....	—	11.11
(ii) Contracts and Work-in-Progress.....	—	(17.78)
(iii) Stock-in-Trade.....	0.07	—
	0.07	(6.67)
Less: Closing Stock		
(i) Finished Products Produced.....	2,066.15	1,956.85
(ii) Contracts and Work-in-Progress.....	684.81	750.23
(iii) Stock-in-Trade.....	602.67	470.98
(iv) Manufactured Components.....	156.90	112.30
	3,510.53	3,290.36
	(220.10)	(1,169.14)
Group Share of Joint Ventures	(0.26)	(0.60)
Increase in Stock.....	(220.36)	(1,169.74)

27. Employee Benefits Expense :

Rupees crores

	2013	2012
(i) Salaries, Wages, Bonus, etc.	4,986.02	4,132.30
(ii) Contribution to Provident and other funds	488.30	453.07
(iii) Employee Stock Compensation Expense	88.26	117.81
(iv) Welfare.....	622.57	502.00
	6,185.15	5,205.18
Group Share of Joint Ventures	633.92	1,385.69
	6,819.07	6,590.87

28. Finance Costs :

Rupees crores

	2013	2012
(i) Interest Expense.....	2,155.86	1,697.86
(ii) Other Borrowing Costs.....	111.35	49.68
	2,267.21	1,747.54
Group Share of Joint Ventures	29.79	52.03
	2,297.00	1,799.57

29. Other Expenses :

Rupees crores

		2013	2012
(i) Stores consumed		370.27	359.90
(ii) Tools consumed		96.78	77.09
(iii) Power and Fuel.....		936.88	865.82
(iv) Rent including lease rentals.....		321.16	293.39
(v) Rates and Taxes		126.83	180.22
(vi) Insurance		77.48	67.29
(vii) Repairs and Maintenance :			
(a) Buildings	62.26		55.44
(b) Machinery.....	336.49		297.27
(c) Others	176.01		136.06
		574.76	488.77
(viii) Advertisement		439.80	398.80
(ix) Commission on sales/contracts (Net).....		602.79	428.39
(x) Freight outward		1,813.34	1,642.19
(xi) Sales Promotion Expenses		725.66	602.23
(xii) Dealer incentives.....		655.32	505.00
(xiii) Travelling and Conveyance Expenses.....		323.75	290.48
(xiv) Cost of Projects, Property etc.....		401.88	370.18
(xv) Subcontracting, Hire and Service Charges.....		935.92	752.72
(xvi) Provision for doubtful trade and other receivables, loans and advances...		45.84	(27.23)
(xvii) Donations and contributions		33.89	27.69
(xviii) Miscellaneous expenses.....		2,377.79	1,988.29
(xix) Excess of carrying cost over fair value of current Investments, reversed (Net).....		(1.84)	(0.05)
		10,858.30	9,311.17
Group Share of Joint Ventures		364.89	822.90
		11,223.19	10,134.07

30. During the year, Mahindra & Mahindra Financial Services Limited (MMFSL) has without recourse securitised on "at par" basis vide PTC route loan receivables of **54,374 contracts** (2012 : Nil contracts) amounting to **Rs. 1,433.61 crores** (2012 : Rs. Nil) for a consideration of **Rs. 1,433.61 crores** (2012 : Rs. Nil) and de-recognised the assets from the books. During the year, MMFSL has without recourse assigned loan receivables of **Nil contracts** (2012 : 56,559 contracts) amounting to **Rs. Nil** (2012 : Rs. 1,487.41 crores) for a consideration of **Rs. Nil** (2012 : Rs. 1,487.41 crores) and de-recognised the assets from the books. The income booked in respect of assignment of receivables includes certain amount towards cost of future servicing of the assigned pool and an appropriate amount has been provided towards expenditure for future services. Income from assignment/securitization includes write back of provision in respect of assignment transactions amounting to **Rs. 31.93 crores** (2012 : Rs. 24.79 crores) considered no longer necessary.

31. (a) Provision for warranty relates to warranty provision made in respect of sale of certain products, the estimated costs of which are accrued at the time of sale.
- (b) Provision on standard assets relates to those created under regulatory compliances of certain financial enterprises consolidated. The movement in above provisions is as follows :

Rupees crores

	Warranty		Standard Assets	
	2013	2012	2013	2012
Balance as at 1st April	874.15	592.72	45.61	32.21
Add : Provision made during the year.....	548.03	383.07	52.98	13.40
	1,422.18	975.79	98.59	45.61
Less : Utilisation during the year.....	486.87	158.10	—	—
	935.31	817.69	98.59	45.61
Add : Adjustments due to Exchange Difference	46.66	56.46	—	—
Balance as at 31 st March	981.97	874.15	98.59	45.61
Out of the above,				
Classified as Current.....	478.48	428.92	43.74	20.58
Classified as Non-Current	503.49	445.23	54.85	25.03
Total	981.97	874.15	98.59	45.61

32. Employee Defined Benefits :

General description of defined benefit plans :

Gratuity

Some of the group entities operate a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. Some entities makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Ssangyong Motor Company Limited provides certain severance benefit to employees on leaving service. The benefit is payable after one year of service and is one months salary for every completed year of service. Additionally based on number of years of service an additional benefit is provided on normal retirement.

Post Retirement medical

Few entities provide post retirement medical cover to select grade of employees to cover the retiring employee and their spouse upto a specified age through mediclaim policy on which the premiums are paid by the Company. The eligibility of the employee for the benefit as well as the amount of medical cover purchased is determined by the grade of the employee at the time of retirement.

Post Retirement housing allowance

M&M operates a post retirement benefit scheme for a certain grade of employees in which a monthly allowance determined on the basis of the last drawn basic salary at the time of retirement, is paid to the retiring employee in lieu of housing.

Defined Benefit Plans - as per Actuarial valuation on 31st March, 2013

Rupees crores

	Funded Plan		Unfunded Plan					
	Gratuity		Gratuity		Post Retirement Medical Benefits		Post Retirement Housing Allowance	
	2013	2012	2013	2012	2013	2012	2013	2012
A. Expense recognised in the Statement of Profit and Loss for the year ended 31st March								
1. Current Service Cost.....	44.49	34.58	130.12	110.35	0.86	1.02	1.74	1.98
2. Interest Cost.....	41.53	32.54	31.04	39.30	1.20	1.24	2.18	1.47
3. Expected return on Plan Assets.....	(29.40)	(23.54)	—	—	—	—	—	—
4. Actuarial (Gains)/Losses.....	11.82	11.82	125.12	76.65	(0.04)	(2.35)	3.60	5.97
5. Past Service Cost.....	0.02	0.22	12.86	—	—	—	—	—
6. Settlement Cost/Curtailment Cost	0.08	0.18	(53.55)	(0.01)	—	—	—	—
7. Effect of the limit in Para 59(b) of the revised AS 15.....	(0.03)	0.04	—	—	—	—	—	—
8. Total expense recognised in Employees Benefits Expense	68.52	55.84	245.59	226.29	2.02	(0.09)	7.52	9.42
B. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March								
1. Present Value of Defined Benefit Obligation as at 31 st March	569.32	500.99	864.49	1,024.92	15.53	13.87	31.46	24.95
2. Fair value of Plan Assets as at 31 st March	425.19	384.51	—	—	—	—	—	—
3. Amount not recognised as an asset.....	0.01	0.10	—	—	—	—	—	—
4. Trust Fund Receivable	—	—	7.44	15.10	—	—	—	—
5. Net Asset/(Liability) as at 31 st March	(144.14)	(116.58)	(857.05)	(1,009.82)	(15.53)	(13.87)	(31.46)	(24.95)
C. Change in the obligations during the year ended 31st March								
1. Present Value of Defined Benefit Obligation at the beginning of the year.....	500.99	435.87	1,024.92	781.33	13.87	14.36	24.95	16.18
2. Adjustment to the opening balance/ exchange rate variation.....	—	2.35	77.42	102.36	—	—	—	—
3. Obligations arising on account of acquisitions/change in group interest during the year.....	0.38	5.52	(51.71)	0.03	—	—	—	—

Rupees crores

	Funded Plan		Unfunded Plan					
	Gratuity		Gratuity		Post Retirement Medical Benefits		Post Retirement Housing Allowance	
	2013	2012	2013	2012	2013	2012	2013	2012
4. Current Service Cost.....	44.49	34.58	130.12	110.35	0.86	1.02	1.74	1.98
5. Interest Cost.....	41.53	32.54	31.04	39.30	1.20	1.24	2.18	1.47
6. Actuarial (Gains)/Losses.....	18.70	20.26	125.12	76.65	(0.01)	(2.35)	3.60	5.97
7. Benefits paid.....	(36.79)	(30.35)	(485.28)	(85.10)	(0.39)	(0.40)	(1.01)	(0.65)
8. Past Service Cost.....	0.02	0.22	12.86	—	—	—	—	—
9. Present Value of Defined Benefit Obligation at the end of the year.....	569.32	500.99	864.49	1,024.92	15.53	13.87	31.46	24.95
D. Change in the fair value of Plan Assets during the year ended 31st March								
1. Fair value of Plan Assets at the beginning of the year	384.51	338.13	—	—	—	—	—	—
2. Fair value of Plan Assets arising on account of acquisitions during the year.....	—	3.73	—	—	—	—	—	—
3. Expected return on Plan Assets.....	29.40	23.54	—	—	—	—	—	—
4. Actuarial Gains/(Losses).....	6.88	8.44	—	—	—	—	—	—
5. Contributions by employer	41.19	40.51	—	—	0.39	0.40	1.01	0.65
6. Actual Benefits paid.....	(36.79)	(29.84)	—	—	(0.39)	(0.40)	(1.01)	(0.65)
7. Fair value of Plan Assets at the end of the year	425.19	384.51	—	—	—	—	—	—
8. Actual return on Plan Assets	30.77	28.64	—	—	—	—	—	—
E. Major category of Plan Assets as a percentage of total plan								
Insurer Managed Funds *.....	100.00%	100.00%	—	—	—	—	—	—
F. Actuarial Assumptions								
1. Discount Rate.....	7.90% -	8.00% -	3.02% -	4.02% -	7.95% -	7.90% -	8.00%	8.30%
	8.50%	8.75%	8.30%	8.70%	8.00%	8.30%		
2. Expected rate of return on Plan Assets.....	7.50% -	7.50% -	—	—	—	—	—	—
	12.30%	9.50%						
3. Attrition rate.....	1.00% -	1.00% -	1.00% -	1.00% -	7.00%	6.00% -	—	—
	25.00%	20.00%	7.00%	25.00%		14.00%		
4. Medical Premium inflation.....	—	—	—	—	7.00%	7.00%	—	—

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

Rupees crores

	One percentage point increase in medical inflation rate	One percentage point decrease in medical inflation rate
G. Effect of one percentage point change in the assumed medical inflation rate		
Current Year		
Effect on the aggregate service and interest cost of Post Employment Medical benefits	0.37	(0.31)
Effect on the accumulated Post Employment Medical benefit obligations.....	2.10	(1.84)
Previous Year		
Effect on the aggregate service and interest cost of Post Employment Medical benefits	0.34	(0.28)
Effect on the accumulated Post Employment Medical benefit obligations.....	1.92	(1.59)

Rupees crores

H. Experience Adjustments	Period Ended				
	2013	2012	2011	2010	2009
	Gratuity (Funded)				
Defined Benefit Obligation.....	569.32	500.99	435.87	378.12	341.72
Fair value of Plan Assets.....	425.19	384.51	338.13	305.04	239.13
Surplus/(Deficit).....	(144.13)	(116.48)	(97.74)	(73.08)	(102.59)
Experience adjustment on Plan Liabilities [(Gain)/Loss]	7.86	20.90	0.41	13.40	34.34
Experience adjustment on Plan Assets [Gain/(Loss)]	10.89	8.97	(0.41)	4.92	0.02
	Gratuity (Unfunded)				
	2013	2012	2011	2010	2009
	Gratuity (Unfunded)				
Defined Benefit Obligation.....	864.49	1,024.92	781.33	46.30	95.95
Surplus/(Deficit).....	(864.49)	(1,024.92)	(781.33)	(46.30)	(95.95)
Experience adjustment on Plan Liabilities [(Gain)/Loss]	21.38	4.10	(2.36)	0.26	0.02
	Post Retirement Medical Benefits (Unfunded)				
	2013	2012	2011	2010	2009
	Post Retirement Medical Benefits (Unfunded)				
Defined Benefit Obligation.....	15.53	13.87	14.36	9.88	5.00
Surplus/(Deficit).....	(15.53)	(13.87)	(14.36)	(9.88)	(5.00)
Experience adjustments on Plan Liabilities [(Gain)/Loss].....	(0.67)	(0.16)	(0.36)	5.21	1.24
	Post Retirement Housing Allowance (Unfunded)				
	2013	2012	2011	2010	2009
	Post Retirement Housing Allowance (Unfunded)				
Defined Benefit Obligation.....	31.46	24.95	16.18	10.99	—
Surplus/(Deficit).....	(31.46)	(24.95)	(16.18)	(10.99)	—
Experience adjustments on Plan Liabilities [(Gain)/Loss].....	2.55	6.28	(1.41)	0.15	—

Unfunded Pension Liability in respect of certain foreign subsidiaries is as below :

Rupees crores

	2013	2012
A. Expense recognised in the Statement of Profit and Loss for the year ended 31st March		
1. Current Service Cost	1.18	1.36
2. Interest Cost	6.30	6.11
3. Actuarial (Gains)/Losses.....	29.03	0.11
4. Past Service cost	0.03	—
5. Total expense recognised in Employee Benefits Expense.....	36.54	7.58
B. Net asset/(liability) recognised in the Balance Sheet as at 31st March		
1. Present Value of Defined Benefit Obligation as at 31 st March.....	154.53	124.80
2. Net Asset/(Liability) as at 31 st March.....	(154.53)	(124.80)
C. Change in the obligations during the year ended 31st March		
1. Present Value of Defined Benefit Obligation at the beginning of the year	124.80	117.08
2. Adjustment on account of exchange rate variations.....	2.29	9.35
3. Current Service Cost	1.18	1.36
4. Interest Cost	6.30	6.11
5. Actuarial (Gains)/Losses.....	29.03	0.11
6. Benefits paid	(9.10)	(9.21)
7. Past Service Cost	0.03	—
8. Present Value of Defined Benefit Obligation at the end of the year	154.53	124.80

33. Contingent Liability and Commitments :

(A) Contingent Liability

- (i) Claims against the Company not acknowledged as debts comprise :
 - (a) Excise Duty, Sales Tax and Service Tax claims disputed by the Company relating to issues of applicability and classification aggregating **Rs. 1,644.70 crores** before tax (2012 : Rs. 1,524.93 crores before tax).
 - (b) Other matters (excluding claims where amounts are not ascertainable) : **Rs. 432.21 crores** before tax (2012 : Rs. 534.20 crores before tax).
 - (c) Claims on capital account : **Rs. 5.67 crores** (2012 : Rs. Nil crores).
 - (d) Group Share of Joint Ventures : **Rs. 5.31 crores** before tax (2012 : Rs. 9.55 crores before tax).
- (ii) Taxation matters :
 - (a) Demands not acknowledged as debts and not provided for, relating to issues of deductibility and taxability in respect of which the matters are in appeal and exclusive of the effect of similar matters in respect of assessments remaining to be completed :
 - Income Tax matters : **Rs. 386.62 crores** (2012 : Rs. 446.81 crores).
 - Group Share of Joint Ventures : **Rs. 0.76 crores** (2012 : Rs. 46.73 crores).
 - (b) Items which have succeeded in appeal, but the Income Tax Department is pursuing/likely to pursue in appeal/reference and exclusive of the effect of similar matters in respect of assessments remaining to be completed :
 - Income Tax matters : **Rs. 120.36 crores** (2012 : Rs. 70.98 crores).
 - Surtax matters : **Rs. 0.13 crores** (2012 : Rs. 0.13 crores).
- (iii) Bills discounted not matured **Rs. 96.39 crores** (2012 : Rs. 30.15 crores).
- (iv) Corporate undertaking on assignment by Mahindra & Mahindra Financial Services Limited **Rs. 715.72 crores** (2012 : Rs. 862.74 crores).
- (v) Work-in-Progress - Property Development Activity and Long Term Contract include **Rs. 71.46 crores** (2012 : Rs. 71.46 crores) on account of a project, where commencement of construction has been delayed on account of a dispute between the land-owner and Mahindra Lifespace Developers Limited (MLDL), presently referred to arbitration. MLDL together with the Owner is also exploring the option of selling the property to third parties. MLDL's Management is hopeful of a favourable outcome and does not expect any loss in this account.
- (vi) The Customs, Excise and Service Tax Appellate Tribunal (CESTAT) by its order dated 7th December, 2009 has rejected Mahindra & Mahindra Limited's (M&M) appeal against the order dated 30th March, 2005 passed by the Commissioner of Central Excise (Adjudication), Navi Mumbai confirming the demand made on M&M for payment of differential excise duty (including penalty) of Rs. 304.10 crores in connection with the classification of Company's Commander range of vehicles, during the years 1991 to 1996. Whilst M&M had classified the Commander range of vehicles as 10-seater attracting a lower rate of excise duty, the Commissioner of Central Excise (Adjudication), Navi Mumbai, has held that these vehicles could not be classified as 10-seater as they did not fulfil the requirement of 10-seater vehicles, as provided under the Motor Vehicles Act, 1988 (MVA) and Maharashtra Motor Vehicles Rules, 1989 (MMVR) and as such attracted a higher rate of excise duty.

In earlier collateral proceedings on this issue, the CESTAT had by an Order dated 19th July, 2005 settled the controversy in M&M's favour. The CESTAT had accepted M&M's submission that MVA and MMVR could not be referred to for determining the classification for the purpose of levy of excise duty and rejected the Department's appeal against the Order of the Collector, Central Excise classifying the Commander range of vehicles as 10-seater. While the Department's appeal against the CESTAT Order dated 19th July, 2005 has been admitted, the Supreme Court of India has not stayed the operation of this Order.

M&M has filed an appeal in the Supreme Court against the aforesaid order dated 7th December, 2009 *inter alia*, on the grounds that the MVA and MMVR cannot be referred to for the purpose of determining the excise classification, as has been repeatedly held by various judicial fora, including the Supreme Court and particularly by CESTAT vide its order dated 19th July, 2005 in M&M's own case referred to above.

Without prejudice to the grounds raised in this appeal, M&M has paid an amount of Rs. 40.00 crores in January, 2010. The Supreme Court has admitted M&M's appeal and has stayed the recovery of the balance amount till further orders.

In another case relating to Armada range of vehicles manufactured during the years 1992 to 1996, by M&M at its Nashik facility, the Commissioner of Central Excise, Nashik passed an order dated 20th March, 2006 confirming a demand of Rs. 24.75 crores, on the same grounds as adopted for Commander range of vehicles. The CESTAT has given an unconditional stay against this order. The final hearing in this matter has been adjourned till the disposal of the appeal by the Supreme Court in the matter relating to Commander range of vehicles.

M&M strongly believes, based on legal advice it has received, that the CESTAT order dated 7th December, 2009 which is under appeal in the Supreme Court is not sustainable in law. As such, M&M does not expect any liability on this account. However, in view of the CESTAT order, M&M has reflected the above amount aggregating **Rs. 328.85 crores** (2012 : Rs. 328.85 crores) and the interest of **Rs. 269.24 crores** (2012 : Rs. 233.13 crores) accrued on the same upto 31st March, 2013 under Note (i)(a) above.

(B) Commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for as at 31st March, 2013 is **Rs. 1,240.71 crores** (2012 : Rs. 1,265.11 crores).

Group Share of Joint Ventures : **Rs. 1.30 crores** (2012 : Rs. 23.42 crores).

34. Research and Development Expenditure debited to the Statement of Profit and Loss, including certain expenditure based on allocations made aggregate **Rs. 667.05 crores** (2012 : Rs. 517.91 crores).

Group Share of Joint Ventures : **Rs. 0.03 crores** (2012 : Rs. 0.16 crores).

35. The net difference in foreign exchange gain credited to the Statement of Profit and Loss is **Rs. 27.14 crores** (2012 : gain of Rs. 15.32 crores).

36. Matters pertaining to Satyam Computers Services Limited :

Tech Mahindra Limited (TML), an Associate of the Company, through its Subsidiary Venturbay Consultants Private Limited (VCPL), acquired a 42.70% stake in Satyam Computers Services Limited (SCSL) during the Financial Year 2009-10. As a result of this investment, SCSL became an associate of TML as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements". As on 31st March, 2013 the stake of TML in SCSL was 42.63%.

In its consolidated accounts, TML has accounted for its share of Profit (Net) in SCSL for the year ended 31st March, 2013 as its share of Profit/(Loss) of Associate. Since TML is an Associate of the Company, the results of SCSL as recorded by TML, proportionate to Company's holding in TML, have carried through into the Consolidated Accounts of the Company against the same line.

The auditors of TML have drawn attention to certain matters and issued a qualified opinion on the consolidated accounts of TML for the year ended 31st March, 2013, expressing their inability to comment whether adjustments would be necessary in the financial statements of TML as a result of qualifications on the following matters in the auditor's report on the consolidated accounts of SCSL for the year ended 31st March, 2013 :

- ongoing investigations/legal proceedings by various regulatory authorities in respect of financial irregularities in SCSL,
- net debit amounts aggregating Rs. 1,139.40 crores booked to 'Unexplained Differences Suspense Account (Net)' and fully provided for on the grounds of prudence in a previous year in its accounts by SCSL,
- inability to determine whether any adjustments/disclosure will be required in the consolidated accounts of TML in respect of the alleged advances made by certain parties to SCSL amounting to Rs. 1,230.40 crores (Net) (presented separately under "Amounts Pending Investigation Suspense Account (Net)" in the financial statements of SCSL.),
- inability to comment on the adequacy or otherwise of the provision for taxation pertaining to prior years in the accounts of SCSL.

The impact of the above qualifications on the Company's share of Profit/(Loss) of Associates for the year and Investments in Associates in the Consolidated Financial Statements of the Company is not ascertainable.

37. Exceptional items of **Rs. 452.50 crores** (credit) [2012 : Rs. 60.76 crores (credit)], comprise :

	Rupees crores	
	2013	2012
(i) Profit/(Loss) on divestiture of Long Term Investments (Net).....	453.85	(15.19)
(ii) Reversal of impairment of assets.....	—	108.27
(iii) Others.....	(1.35)	(32.32)
	452.50	60.76

Figures in brackets signify charge to the Statement of Profit and Loss.

38. Earnings per Share :

	2013	2012
Profit for the year (Rupees crores).....	4,099.20	3,126.66
Profit for the year for diluted earnings per share (Rupees crores).....	4,099.20	3,126.66
Weighted average number of Ordinary (Equity) Shares used in computing basic earnings per share	58,97,55,261	58,79,20,003
Effect of potential Ordinary (Equity) Shares on conversion of bonds and employee stock options.....	2,42,30,839	2,60,66,097
Weighted average number of Ordinary (Equity) Shares used in computing diluted earnings per share	61,39,86,100	61,39,86,100
Basic Earnings per share (Rs.) (Face value of Rs. 5 per share)	69.51	53.18
Diluted Earnings per share (Rs.)	66.76	50.92

39. Related Party Disclosures :

(a) Names of related parties where transactions have taken place during the year :

(i) Associates :

Sl. No.	Name of the Company	Sl. No.	Name of the Company
1.	Mahindra Composites Limited	4.	Vayugrid Marketplace Services Private Limited
2.	Swaraj Engines Limited	5.	Tech Mahindra Limited (w.e.f. 31 st August, 2012)
3.	Mahindra & Mahindra Contech Limited		

(ii) Joint Ventures :

Sl. No.	Name of the Company
1.	Tech Mahindra Limited (upto 30 th August, 2012)
2.	Mahindra Sona Limited

(iii) Joint Ventures of a Subsidiary :

Sl. No.	Name of the Company
1.	Mahindra Solar One Private Limited
2.	Mahindra Water Utilities Limited

(iv) Key Management Personnel :

1.	Chairman and Managing Director.....	Mr. Anand Mahindra
2.	Executive Director and Group CFO	Mr. B. N. Doshi

(v) Welfare Funds :

Sl. No.	Name of the Fund
1.	M&M Benefit Trust
2.	M&M Employees' Welfare Fund
3.	M&M Employees' Farm Equipment Sector Employees' Welfare Fund
4.	Mahindra World School Education Trust

(b) The related party transactions are as under :

					Rupees crores
Sl. No.	Nature of Transactions	Associate Companies	Joint Ventures/ Joint Ventures of a Subsidiary **	Key Management Personnel	Welfare Funds
1.	Purchases :				
	Goods.....	547.79 (518.96)	177.54 (146.51)	— (—)	— (—)
	Fixed Assets.....	0.25 (0.03)	— (0.01)	— (—)	— (—)
	Services	9.40 (3.70)	* (6.74)	— (—)	— (—)
2.	Sales :				
	Goods.....	0.10 (8.77)	5.56 (69.13)	— (0.07)	— (—)
	Fixed Assets.....	— (—)	* (—)	— (4.52)	— (—)
	Services	2.96 (1.44)	0.15 (9.69)	— (—)	0.04 (0.03)
3.	Investments :				
	Purchases/Subscribed/Conversion.....	8.00 (—)	17.13 (6.57)	— (—)	— (—)
	Redemption/Conversion	8.00 (—)	— (—)	— (—)	— (—)
4.	Deputation of Personnel :				
	From Parties	0.97 (1.12)	— (—)	— (—)	— (—)
	To Parties.....	3.90 (3.94)	0.66 (0.68)	— (—)	— (—)
5.	Managerial Remuneration.....	— (—)	— (—)	7.83 (6.83)	— (—)
6.	Stock Options.....	— (—)	— (—)	# (#)	— (—)
7.	Finance :				
	Inter Corporate Deposits given.....	22.50 (—)	2.90 (3.00)	— (—)	— (—)
	Inter Corporate Deposits Refunded by parties.....	20.00 (—)	0.60 (—)	— (—)	— (—)
	Interest Income.....	0.84 (0.48)	0.69 (0.09)	— (—)	— (—)

Refer Annexure I to the Directors' Report.

(b) The related party transactions are as under : (Contd.)

					Rupees crores
Sl. No.	Nature of Transactions	Associate Companies	Joint Ventures/ Joint Ventures of a Subsidiary **	Key Management Personnel	Welfare Funds
	Interest Expense	— (0.01)	— (—)	— (—)	— (—)
	Dividend received	5.36 (4.76)	27.81 (26.50)	— (—)	— (—)
	Dividend distributed	— (—)	— (—)	1.54 (1.40)	67.23 (61.77)
8.	Other Transactions :				
	Other Income	0.33 (0.57)	0.25 (0.23)	— (—)	64.79 (59.61)
	Other Expenses	— (0.09)	— (0.02)	— (—)	— (—)
	Reimbursements received from parties	1.20 (0.84)	0.13 (0.09)	— (—)	— (—)
9.	Outstandings :				
	Payable	11.00 (8.80)	36.69 (41.12)	3.76 (3.25)	— (—)
	Receivable	4.84 (5.58)	4.73 (8.89)	— (—)	17.00 (17.00)
	Debentures issued by Parties	— (8.00)	— (—)	— (—)	— (—)
	Intercompany Deposits Given	9.59 (7.09)	5.33 (3.00)	— (—)	— (—)
10.	Share Application Money Outstanding (Net)	— (—)	— (17.13)	— (—)	— (—)
11.	Provision for Doubtful debts/advances	11.66 (11.66)	— (—)	— (—)	10.00 (10.00)
12.	Advances Given	0.76 (—)	— (—)	— (—)	— (—)
13.	Advances Refunded	— (—)	— (—)	— (—)	— (5.00)
14.	Security Deposit received	— (—)	— (—)	— (—)	0.01 (—)

Previous year's figures are in brackets.

* denotes amounts less than Rs. 50,000.

** Transactions with Joint Ventures/Joint Ventures of a Subsidiary has been reported at full value.

MAHINDRA & MAHINDRA LIMITED (CONSOLIDATED)

The Significant related party transactions are as under :

					Rupees crores
Sl. No.	Nature of Transactions	Associate Companies	Amount	Joint Ventures/Joint Ventures of a Subsidiary **	Amount
1.	Purchases – Goods	Swaraj Engines Limited	545.41 (493.88)	Mahindra Sona Limited	177.54 (146.51)
2.	Purchases – Fixed Assets	Mahindra Composites Limited	0.25 (0.03)	Mahindra Sona Limited	— (0.01)
3.	Purchases – Services	Mahindra & Mahindra Contech Limited	4.26 (3.69)	Tech Mahindra Limited	* (6.74)
		Tech Mahindra Limited	4.30 (—)		
4.	Sales – Goods	Swaraj Engines Limited	0.10 (8.77)	Mahindra Sona Limited	5.56 (—)
				Mahindra Solar One Private Limited	— (62.68)
5.	Sales – Services	Tech Mahindra Limited	2.75 (—)	Tech Mahindra Limited	— (6.12)
		Swaraj Engines Limited	— (1.24)	Mahindra Solar One Private Limited	0.14 (3.54)
		Swaraj Automotives Limited	— (0.18)		
6.	Purchases/Conversion - Investments	Vayugrid Marketplace Services Private Limited	8.00 (—)	Mahindra Solar One Private Limited	17.13 (6.57)
7.	Deputation of Personnel from related parties	Mahindra & Mahindra Contech Limited	0.56 (0.63)		
		Swaraj Engines Limited	0.42 (0.49)		
8.	Deputation of Personnel to related parties	Mahindra Composites Limited	— (0.52)	Mahindra Solar One Private Limited	0.66 (0.68)
		Swaraj Automotives Limited	— (0.57)		
		Swaraj Engines Limited	3.80 (2.85)		
9.	Inter Corporate Deposits Given	Mahindra Composites Limited	22.50 (—)	Mahindra Solar One Private Limited	2.00 (3.00)
				Mahindra Water Utilities Limited	0.90 (—)

The Significant related party transactions are as under : (Contd.)

					Rupees crores
Sl. No.	Nature of Transactions	Associate Companies	Amount	Joint Ventures/Joint Ventures of a Subsidiary **	Amount
10.	Interest Income	Vayugrid Marketplace Services Private Limited	0.27 (0.42)	Mahindra Solar One Private Limited	0.66 (0.09)
		Mahindra Composites Limited	0.56 (0.06)		
11.	Interest Expenses	Swaraj Engines Limited	— (0.01)		
12.	Dividend Received	Swaraj Engines Limited	5.36 (4.13)	Tech Mahindra Limited	24.27 (24.27)
				Mahindra Sona Limited	3.54 (2.23)
13.	Other Income	Mahindra Construction Company Limited	— (0.25)	Tech Mahindra Limited	0.24 (0.21)
		Mahindra Composites Limited	0.33 (0.32)		
14.	Other Expenses	Swaraj Engines Limited	— (0.09)	Tech Mahindra Limited	— (0.02)
15.	Reimbursement received from parties	Mahindra Composites Limited	0.69 (0.84)	Mahindra Sona Limited	0.08 (0.09)
		Tech Mahindra Limited	0.48 (—)	Mahindra Water Utilities Limited	0.03 (—)
				Mahindra Solar One Private Limited	0.01 (—)

Previous year's figures are in brackets

* denotes amounts less than Rs. 50,000.

** Transactions with Joint Ventures/Joint Ventures of a Subsidiary has been reported at full value

The Significant related party transactions with Key Management Personnel are as under :

				Rupees crores
Sl No.	Nature of Transaction	Name of KMP	Amount	
1.	Managerial Remuneration	Mr. Anand Mahindra	4.66 (4.07)	
		Mr. B. N. Doshi	3.17 (2.76)	

Previous year's figures are in brackets

MAHINDRA & MAHINDRA LIMITED (CONSOLIDATED)

40. Investment in Associates :

Rupees crores

	No. of Equity shares held	% of Holding	Cost of Investments (Equity Shares)	Goodwill/ (Capital Reserve)	Share in accumulated Profit/(Loss)/ Reserves	Carrying Cost
Unquoted :						
Mahindra Construction Company Limited.....	9,00,000	43.83%	0.97	—	(0.97)	—
	9,00,000	43.83%	0.97	—	(0.97)	—
Officemartindia.com Limited	7,49,997	50.00%	0.22	—	(0.22)	—
	7,49,997	50.00%	0.22	—	(0.22)	—
Rathna Bhoomi Enterprises Private Limited	500	25.53%	*	—	*	—
	500	25.53%	*	—	*	—
Kota Farm Services Limited	2,73,420	45.00%	0.27	—	(0.27)	—
	2,73,420	45.00%	0.27	—	(0.27)	—
Mriyalguda Farm Solution Limited	3,37,500	45.00%	0.34	—	(0.34)	—
	3,37,500	45.00%	0.34	—	(0.34)	—
Mega One Stop Farm Services Limited	3,51,000	45.00%	0.35	0.03	(0.35)	—
	3,51,000	45.00%	0.35	0.03	(0.35)	—
Mahindra & Mahindra Contech Limited	70,000	35.16%	0.07	—	1.70	1.77
	70,000	35.16%	0.07	—	1.51	1.58
Vayugrid Marketplace Services Private Limited	21,21,000	13.73%	1.68	1.68	(1.68)	—
	10,00,000	21.83%	1.00	0.45	(1.00)	—
PSL Media & Communications Limited	39,498	36.12%	0.01	—	(0.01)	—
	39,498	36.12%	0.01	—	(0.01)	—
Total - Unquoted						1.77
						1.58
Quoted :						
Mahindra Composites Limited	15,61,203	35.37%	4.00	0.83	2.00	6.00
	15,61,203	35.37%	4.00	0.83	2.56	6.56
Swaraj Engines Limited	41,26,417	33.22%	1.63	(10.33)	53.48	55.11
	41,26,417	33.22%	1.63	(10.33)	42.88	44.51
Tech Mahindra Limited (w.e.f. 31 st August, 2012)	6,07,36,978	47.39%	2,326.87	281.40	359.46	2,686.33
	—	—	—	—	—	—
Total - Quoted						2,747.44
						51.07
Total						2,749.21
						52.65

Current Years Figures are in Bold

* denotes amount less than Rs. 50,000

Segment Report for the year ended 31st March, 2013
Primary Segment Disclosure - Business Segment

	Automotive	Farm Equipment	IT Services	Financial Services	Steel Trading and Processing	Infrastructure	Hospitality	Systech	Others	Total	Eliminations	Consolidated Total
Rupees crores												
REVENUE												
Gross External Revenue	46,391.57	13,946.85	1,432.24	4,092.02	753.68	724.86	675.87	4,296.95	1,700.01	74,014.05	—	74,014.05
Less : Excise Duty on Sales	35,799.36	13,360.02	2,870.63	2,878.31	902.83	702.95	609.71	4,562.63	1,325.35	63,011.79	—	63,011.79
	4,696.54	142.27	—	—	94.41	—	—	278.61	66.56	5,278.39	—	5,278.39
	3,135.16	101.40	—	—	77.20	—	—	232.51	66.58	3,612.85	—	3,612.85
Net External Sales	41,695.03	13,804.58	1,432.24	4,092.02	659.27	724.86	675.87	4,018.34	1,633.45	68,735.66	—	68,735.66
Inter Segment Revenue	32,664.20	13,258.62	2,870.63	2,878.31	825.63	702.95	609.71	4,330.12	1,258.77	59,398.94	—	59,398.94
	179.35	29.59	32.24	25.43	756.63	29.07	51.23	969.69	1,216.34	3,289.57	(3,289.57)	—
	173.67	24.80	33.47	22.28	660.03	13.20	34.54	918.72	1,210.63	3,091.34	(3,091.34)	—
Total Revenue	41,874.38	13,834.17	1,464.48	4,117.45	1,415.90	753.93	727.10	4,988.03	2,849.79	72,025.23	(3,289.57)	68,735.66
	32,837.87	13,283.42	2,904.10	2,900.59	1,485.66	716.15	644.25	5,248.84	2,469.40	62,490.28	(3,091.34)	59,398.94
RESULT												
Segment Result before exceptional items	2,330.01	1,827.56	221.78	1,284.03	88.09	242.58	141.11	(44.42)	(295.31)	5,795.43	25.63	5,821.06
Add/(Less) : Exceptional Items allocated to Segments	1,156.81	1,924.54	424.54	953.48	122.84	198.00	131.94	225.68	(256.40)	4,881.43	(131.52)	4,749.91
	—	—	—	—	—	—	—	—	—	—	—	—
	108.27	—	(32.32)	—	—	—	—	—	(4.38)	71.57	—	71.57
Segment Result after exceptional items	2,330.01	1,827.56	221.78	1,284.03	88.09	242.58	141.11	(44.42)	(295.31)	5,795.43	25.63	5,821.06
Unallocable Corporate Expenses (net of Income)	1,265.08	1,924.54	392.22	953.48	122.84	198.00	131.94	225.68	(260.78)	4,953.00	(131.52)	4,821.48
												209.42
												141.06
Operating Profit												5,611.64
Less : Interest Expense not allocable to segments												4,680.42
Add : Interest Income not allocable to segments												629.75
Add/(Less) : Exceptional Items unallocable to segment												594.56
												145.98
												108.47
Profit before tax												452.50
												(10.81)
(Add)/Less : Income Taxes												5,580.37
– Current Tax												4,183.52
– MAT Credit Entitlement												1,754.11
– Deferred Tax												1,340.70
												(21.11)
Balance of Profit for the year before Share of Profit/(Loss) of Associates												(201.95)
												201.63
Add/(Less) : Share of Profit/(Loss) of Associates for the year												268.81
– From Ordinary Activities												3,645.74
– Exceptional Item												2,775.96
Profit for the year before Minority Interest												483.41
												261.75
												—
												22.21
Profit for the year before Minority Interest												4,129.15
												3,059.92

41. Segment Information (Contd.) :

	Automotive	Farm Equipment	IT Services	Financial Services	Steel Trading and Processing	Infrastructure	Hospitality	Systech	Others	Total	Eliminations	Consolidated Total
OTHER INFORMATION												
Segment Assets	22,461.43 19,637.45	6,227.85 5,808.50	263.80 1,676.29	25,872.13 18,370.04	663.28 602.68	2,508.79 2,049.56	1,997.66 1,706.97	3,473.79 3,365.71	1,853.85 673.49	65,322.58 53,890.69	— —	65,322.58 53,890.69
Unallocable Corporate Assets												11,147.21 9,895.08
Total Assets										76,469.79 63,785.77		
Segment Liabilities	11,117.75 9,118.50	2,858.79 2,580.13	54.68 856.73	21,817.12 15,838.48	281.77 251.06	369.51 231.96	1,534.87 1,306.12	1,108.84 1,220.63	759.76 333.56	39,903.09 31,737.17	— —	39,903.09 31,737.17
Unallocable Corporate Liabilities												11,309.03 10,819.63
Total Liabilities												51,212.12 42,556.80
Capital Expenditure	1,992.00 1,910.59	446.15 454.95	34.05 164.44	34.91 42.56	18.59 62.07	26.92 17.84	109.15 90.27	311.67 520.98	241.38 179.43	3,214.82 3,443.13		
Depreciation and Amortisation Expense	1,428.73 1,165.31	164.64 130.92	39.16 80.24	23.66 20.29	14.91 11.98	8.78 9.42	27.55 23.35	238.84 236.60	80.03 70.84	2,026.30 1,748.95		

Segment Information (Contd.) :**Secondary Segment Disclosure - Geographical Segment**

	Rupees crores		
	Domestic	Overseas	Total
Revenue From External Customers.....	52,406.77	21,607.28	74,014.05
	44,207.21	18,804.58	63,011.79
Segment Assets.....	50,946.69	14,375.89	65,322.58
	41,324.19	12,566.50	53,890.69
Capital Expenditure	2,279.21	935.61	3,214.82
	2,392.71	1,050.42	3,443.13

Notes :**1. Business Segments :**

The Group has considered business segments as the primary segment for disclosure.

The segments have been identified taking into account the organisational structure as well as the differing risks and returns of these segments.

Automotive Segment comprises of sales of automobiles, spare parts and related services.

Farm Equipment Segment comprises of sales of tractors, spare parts and related services.

IT Services comprises of services rendered for IT and Telecom.

Financial Services comprise of services relating to financing, leasing and hire purchase of automobiles and tractors.

Steel Trading and Processing comprises of trading and processing of steel.

Infrastructure comprise of operating of commercial complexes, project management and development.

Hospitality comprises of sale of Vacation ownership.

Systech comprises of automotive components and other related products and services.

Others comprise of Logistics, After-market, Two wheelers, Investments etc.

2. Secondary Segments :

The geographical segments are considered for disclosure as secondary segment.

Domestic segment includes sales to customers located in India and service income accrued in India.

Overseas segment includes sales and services rendered to customers located outside India.

Segment Revenue comprises of :

	Rupees crores	
	2013	2012
Sale of Products.....	64,702.69	54,052.19
Sale of Services.....	3,219.24	4,266.53
Income from long term contracts	499.74	551.29
Lease and rental income	191.32	129.84
Interest income of Financial Enterprises Consolidated	4,003.75	2,830.49
Other allocable income *	1,397.31	1,181.45
Total.....	74,014.05	63,011.79

	Rupees crores	
	2013	2012
* Other allocable income includes :		
Scrap Sales.....	478.32	441.83
Commission	10.60	12.83
Dividend Income of Investment Enterprises Consolidated	0.52	1.04
Others	907.87	725.75
Total.....	1,397.31	1,181.45

43. Previous year's figures have been regrouped/restated wherever necessary.

Details of Subsidiary Companies

Rupees Crores

Name of the Subsidiary	Capital (including Preference Capital)	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investments in subsidiaries)	Gross Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend and Tax thereon
2 x 2 Logistics Private Limited	0.01	(0.18)	0.04	0.04	-	0.03	(*)	-	(*)	-
Aerostaff Australia Pty. Limited ^	12.76	(20.24)	7.67	7.67	-	12.82	(6.99)	-	(6.99)	-
Airvan Flight Services Pty. Limited ^	*	-	*	*	-	-	-	-	-	-
Anthurium Developers Limited	0.05	(0.02)	0.03	0.03	0.02	-	(*)	-	(*)	-
BAH Hotelanlagen AG €	0.49	27.06	37.99	37.99	-	17.86	0.68	0.03	0.65	-
Bell Tower Resorts Private Limited	19.94	(45.61)	51.20	51.20	-	8.20	(10.63)	(0.01)	(10.62)	-
Bristlecone (Malaysia) Sdn. Bhd. **	0.18	4.54	8.60	8.60	-	14.91	4.21	1.10	3.11	-
Bristlecone Consulting Limited @	*	2.26	7.32	7.32	-	8.67	2.71	0.71	2.00	-
Bristlecone GmbH €	0.35	4.95	10.61	10.61	-	23.86	1.46	0.51	0.95	-
Bristlecone Inc. \$	132.91	(99.17)	89.57	89.57	-	170.28	12.85	0.31	12.54	-
Bristlecone India Limited	19.05	29.12	93.85	93.85	0.01	124.86	5.77	3.01	2.76	-
Bristlecone International AG <	0.57	3.91	13.55	13.55	-	17.11	4.04	0.37	3.67	-
Bristlecone Limited \$	0.12	38.46	178.14	178.14	-	-	(8.94)	-	(8.94)	-
Bristlecone (Singapore) Pte. Limited ++	7.30	(6.93)	2.33	2.33	-	1.14	-	-	-	-
Bristlecone UK Limited £	19.35	(16.18)	3.83	3.83	-	0.65	(0.52)	-	(0.52)	-
Crest Geartech Private Limited	0.60	2.03	2.82	2.82	-	1.02	(0.08)	0.03	(0.11)	-
Defence Land Systems India Private Limited	85.00	(61.21)	64.76	64.76	-	18.16	(38.76)	-	(38.76)	-
Divine Heritage Hotels Private Limited	0.70	(2.66)	12.95	12.95	-	0.79	(2.01)	-	(2.01)	-
EPC Industrie Limited	27.63	77.93	144.42	144.42	0.01	164.27	5.34	-	5.34	-
Falkenroth Umformtechnik GmbH €	7.12	9.19	92.92	92.92	-	243.99	(11.53)	0.18	(11.71)	-
GA200 Pty. Limited ^	*	-	*	*	-	-	-	-	-	-
GA8 Airvan Pty. Limited ^	*	-	*	*	-	-	-	-	-	-
Gables Promoters Private Limited	13.20	(0.01)	13.20	13.20	-	-	(*)	-	(*)	-
Gesensckmiede Schneider GmbH €	85.27	51.01	332.85	332.85	-	670.10	(7.89)	0.33	(8.22)	-
Gipp Aero Investments Pty. Limited ^	39.79	126.31	166.30	166.30	-	-	(0.04)	-	(0.04)	-
Gippaero Pty. Limited ^	*	67.54	165.34	165.34	-	58.23	(39.59)	-	(39.59)	-
Heritage Bird (M) Sdn. Bhd. **	0.53	(1.01)	8.39	8.39	-	1.44	(0.25)	-	(0.25)	-
Holiday on Hills Resorts Private Limited	1.00	(5.97)	25.57	25.57	-	1.58	(1.50)	-	(1.50)	-
Industrial Township (Maharashtra) Limited	5.00	(0.13)	15.62	15.62	-	*	(0.01)	-	(0.01)	-
Infinity Hospitality Group Company Limited #	28.05	(16.65)	38.24	38.24	-	2.86	(1.26)	-	(1.26)	-
JECO-Jellinghaus GmbH €	35.64	8.62	92.30	92.30	-	232.06	(7.99)	0.23	(8.22)	-
Jiangxi Mahindra Yueda Tractor Company Limited >	166.65	(172.38)	83.12	83.12	-	16.99	(14.84)	-	(14.84)	-
Knowledge Township Limited	21.00	(0.44)	44.41	44.41	-	-	(0.02)	-	(0.02)	-

Details of Subsidiary Companies (Contd.)

Rupees Crores

Name of the Subsidiary	Capital (including Preference Capital)	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investments in subsidiaries)	Gross Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend and Tax thereon
Mahindra & Mahindra Financial Services Limited	112.60	4,341.97	25,492.42	25,492.42	520.48	3,894.70	1,279.20	396.51	882.69	238.88
Mahindra & Mahindra South Africa (Proprietary) Limited »	30.63	25.84	169.20	169.20	-	444.69	26.31	7.37	18.94	-
Mahindra Aerospace Australia Pty. Limited ^	184.28	(0.12)	263.64	263.64	-	3.07	0.04	-	0.04	-
Mahindra Aerospace Private Limited	146.27	121.94	269.78	269.78	3.58	4.83	(1.91)	-	(1.91)	-
Mahindra Aerostructures Private Limited	73.01	(16.27)	113.96	113.96	8.08	0.46	(8.74)	-	(8.74)	-
Mahindra Automobile Distributor Private Limited	1.00	21.20	42.87	42.87	13.74	93.68	21.01	7.00	14.01	8.19
Mahindra Automotive Australia Pty. Limited ^	25.94	(13.01)	63.51	63.51	-	110.88	0.15	-	0.15	-
Mahindra Bebanco Developers Limited	0.05	(6.75)	118.54	118.54	2.76	24.83	(3.45)	1.07	(4.52)	-
Mahindra Business & Consulting Services Private Limited	0.01	2.48	30.15	30.15	-	141.98	2.55	0.81	1.74	*
Mahindra Consulting Engineers Limited	2.13	7.75	12.67	12.67	-	14.84	3.14	1.04	2.10	1.24
Mahindra Conveyor Systems Private Limited	31.38	22.46	73.96	73.96	3.14	67.73	6.43	1.96	4.47	1.58
Mahindra Defence Naval Systems Private Limited	15.03	0.04	18.73	18.73	6.71	10.15	0.15	0.11	0.04	-
Mahindra Defence Systems Limited	2.38	0.05	3.44	3.44	-	5.66	0.24	0.19	0.05	-
Mahindra Electrical Steel Private Limited	0.05	(1.41)	9.29	9.29	-	-	(0.78)	-	(0.78)	-
Mahindra Emirates Vehicle Armouring FZ-LLC •	13.43	(10.70)	10.89	10.89	-	11.81	(8.13)	-	(8.13)	-
Mahindra Engineering and Chemical Products Limited	36.00	375.05	426.61	426.61	5.12	1.57	(0.12)	(0.14)	0.02	-
Mahindra Engineering GmbH €	0.41	(5.83)	0.33	0.33	-	0.66	(0.36)	-	(0.36)	-
Mahindra Engineering Services (Europe) Limited £	0.54	11.47	15.28	15.28	-	14.18	1.83	0.43	1.40	-
Mahindra Engineering Services Limited	8.31	135.43	188.41	188.41	48.29	208.36	54.24	20.77	33.47	13.02
Mahindra EPC Services Private Limited	11.30	38.96	349.57	349.57	25.24	490.01	56.78	17.91	38.87	-
Mahindra Europe S.r.l. €	13.90	(4.50)	63.83	63.83	-	60.63	(4.41)	0.10	(4.51)	-
Mahindra First Choice Services Limited	57.00	(61.76)	30.36	30.36	-	12.89	(24.08)	-	(24.08)	-
Mahindra First Choice Wheels Limited	63.43	(48.30)	36.90	36.90	2.49	74.49	(9.52)	-	(9.52)	-
Mahindra Forgings Europe AG €	97.28	(74.05)	620.44	620.44	-	31.78	(21.91)	1.39	(23.30)	-
Mahindra Forgings Global Limited €	235.22	6.57	241.83	241.83	-	-	5.74	-	5.74	-
Mahindra Forgings International Limited €	569.19	(65.01)	760.55	760.55	-	2.11	(7.00)	-	(7.00)	-
Mahindra Forgings Limited	92.17	809.68	1,034.67	1,034.67	41.09	498.09	37.54	(3.33)	40.87	-
Mahindra Gears & Transmissions Private Limited	15.11	49.94	127.22	127.22	-	114.66	0.03	0.02	0.01	-
Mahindra Gears Cyprus Limited €	0.07	(0.07)	-	-	-	-	-	-	-	-
Mahindra Gears Global Limited €	268.93	(1.82)	339.09	339.09	-	3.04	0.46	0.74	(0.28)	-
Mahindra Gears International Limited €	143.84	(0.54)	200.57	200.57	-	2.41	(0.11)	-	(0.11)	-
Mahindra Graphic Research Design S.r.l. €	6.67	3.38	22.72	22.72	-	38.40	3.90	3.88	0.02	-
Mahindra Gujarat Tractor Limited	20.30	(25.66)	52.68	52.68	-	130.22	4.48	-	4.48	-

Details of Subsidiary Companies (Contd.)

Rupees Crores

Name of the Subsidiary	Capital (including Preference Capital)	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investments in subsidiaries)	Gross Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend and Tax thereon
Mahindra Hinoday Industries Limited	46.58	92.50	408.68	408.68	3.86	521.49	(11.73)	6.48	(18.21)	-
Mahindra Holdings Limited	47.55	17.02	64.59	64.59	44.37	0.75	0.73	0.01	0.72	-
Mahindra Holidays & Resorts India Limited	83.88	550.43	2,244.33	2,244.33	10.22	715.94	158.85	51.87	106.98	41.55
Mahindra Holidays and Resorts USA Inc. \$	*	0.77	0.80	0.80	-	-	(0.10)	(0.02)	(0.08)	-
Mahindra Hotels and Residences India Limited	0.05	(0.11)	*	*	-	-	(0.01)	-	(0.01)	-
Mahindra Infrastructure Developers Limited	18.00	0.20	20.32	20.32	15.00	0.05	(0.21)	-	(0.21)	-
Mahindra Insurance Brokers Limited	2.58	91.37	101.95	101.95	-	86.30	51.19	16.74	34.45	-
Mahindra Integrated Business Solutions Private Limited	1.50	1.19	5.92	5.92	1.44	9.20	1.49	0.51	0.98	0.18
Mahindra Integrated Township Limited	50.44	(1.95)	211.94	211.94	-	68.64	11.41	-	11.41	-
Mahindra Intertrade Limited	16.60	283.46	551.00	551.00	36.01	1,387.64	83.00	26.30	56.70	17.48
Mahindra Lifespace Developers Limited	40.84	1,148.84	1,840.41	1,840.41	113.24	422.26	135.88	38.39	97.49	28.67
Mahindra Logistics Limited	57.70	28.25	269.61	269.61	0.01	1,535.49	36.18	11.74	24.44	-
Mahindra Middleeast Electrical Steel Service Centre (FZC) •	2.99	27.38	54.33	54.33	-	69.65	2.60	-	2.60	-
Mahindra Namaste Private Limited	0.01	(0.04)	*	*	-	-	(0.04)	-	(0.04)	-
Mahindra Navistar Automotives Limited	1,147.93	(871.03)	875.72	875.72	5.00	1,232.14	(365.14)	-	(365.14)	-
Mahindra Navistar Engines Private Limited	265.00	(198.39)	252.24	252.24	-	117.75	(61.92)	-	(61.92)	-
Mahindra Overseas Investment Company (Mauritius) Limited \$	444.17	(83.60)	524.26	524.26	83.28	6.34	(3.85)	-	(3.85)	-
Mahindra Punjab Tractors Private Limited	0.01	(0.01)	*	*	-	*	(*)	-	(*)	-
Mahindra Racing S.r.l. €	0.14	*	4.39	4.39	-	28.50	0.22	0.21	0.01	-
Mahindra Residential Developers Limited	0.26	59.86	99.94	99.94	-	78.80	10.97	2.19	8.78	-
Mahindra Retail Private Limited	388.26	(349.25)	185.95	185.95	-	196.70	(114.12)	-	(114.12)	-
Mahindra Reva Electric Vehicles Private Limited	26.99	68.45	211.54	211.54	1.91	39.33	(31.86)	-	(31.86)	-
Mahindra Rural Housing Finance Limited	45.71	30.92	895.07	895.07	-	140.40	27.41	7.09	20.32	5.35
Mahindra Sanyo Special Steel Private Limited	10.00	314.39	609.00	609.00	14.00	659.44	(51.56)	(13.53)	(38.03)	-
Mahindra Shubhlabbh Services Limited	6.11	(3.94)	53.84	53.84	0.59	85.62	4.32	0.92	3.40	-
Mahindra Steel Service Centre Limited	13.95	54.75	198.83	198.83	-	134.89	2.18	0.72	1.46	-
Mahindra Technologies Services Inc. \$	0.27	1.82	20.52	20.52	-	58.80	3.77	1.13	2.64	-
Mahindra Telecommunications Investment Private Limited	0.47	2.60	3.09	3.09	2.60	0.16	0.16	0.03	0.13	-
Mahindra Tractor Assembly Inc. \$	0.05	-	0.05	0.05	-	-	-	-	-	-
Mahindra Two Wheelers Limited	878.50	(790.83)	488.59	488.59	-	433.86	(263.86)	-	(263.86)	-
Mahindra Ugine Steel Company Limited	32.48	135.59	504.03	504.03	0.09	850.38	(43.42)	(9.70)	(33.72)	-
Mahindra United Football Club Private Limited	0.01	0.12	0.14	0.14	-	0.01	0.01	*	*	-
Mahindra USA Inc. \$	76.15	(46.19)	764.21	764.21	-	1,186.05	(4.41)	-	(4.41)	-

Details of Subsidiary Companies (Contd.)

Rupees Crores

Name of the Subsidiary	Capital (including Preference Capital)	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investments in subsidiaries)	Gross Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) after Tax	Proposed Dividend and Tax thereon
Mahindra Vehicle Manufacturers Limited	962.25	321.75	4,112.19	4,112.19	22.80	9,681.03	430.53	146.75	283.78	81.90
Mahindra World City (Maharashtra) Limited	1.17	(1.13)	0.04	0.04	-	*	(*)	-	(*)	-
Mahindra World City (Jaipur) Limited	200.00	19.69	635.03	635.03	1.07	106.61	25.26	8.68	16.58	8.19
Mahindra World City Developers Limited	85.00	88.25	474.07	474.07	-	123.81	82.68	28.19	54.49	8.54
Mahindra Yueda (Yancheng) Tractor Company Limited >	411.63	(62.25)	843.53	843.53	-	617.68	(51.98)	0.03	(52.01)	-
Mahindra-BT Investment Company (Mauritius) Limited \$	64.62	57.80	128.41	128.41	0.54	0.02	(0.28)	-	(0.28)	-
Metalcastello S.p.A. €	138.97	(10.42)	715.05	715.05	-	404.43	(25.02)	(1.39)	(23.63)	-
MH Boutique Hospitality Limited #	1.87	(0.20)	10.85	10.85	-	*	(0.20)	-	(0.20)	-
MHR Hotel Management GmbH €	0.24	0.23	0.52	0.52	-	0.63	0.10	0.03	0.07	-
NBS International Limited	0.05	(0.11)	45.16	45.16	-	315.40	(2.10)	(0.01)	(2.09)	-
Nomad TC Pty. Limited ^	0.06	(0.06)	-	-	-	-	-	-	-	-
Raigad Industrial & Business Park Limited	0.05	(0.09)	0.01	0.01	-	-	(*)	-	(*)	-
Retail Initiative Holdings Limited	0.05	(0.98)	368.19	368.19	-	-	(0.01)	-	(0.01)	-
Schöneweiss & Co. GmbH €	25.53	(18.37)	338.71	338.71	-	542.15	(72.11)	9.64	(81.75)	-
Ssangyong (Yizheng) Auto Parts Manufacturing Company Limited >	10.15	(0.05)	10.10	10.10	-	10.57	(0.90)	0.12	(1.02)	-
Ssangyong European Parts Center B.V. €	4.86	(26.05)	42.44	42.44	-	64.78	0.73	0.15	0.58	-
Ssangyong Motor (Shanghai) Company Limited >	6.52	0.87	9.30	9.30	-	10.64	(5.09)	(0.09)	(5.00)	-
Ssangyong Motor Company ≈	3,000.26	692.80	9,623.36	9,623.36	2.76	14,974.64	(509.16)	-	(509.16)	-
Stokes Forgings Dudley Limited £	*	-	*	*	-	-	-	-	-	-
Stokes Forgings Limited £	0.49	(0.49)	-	-	-	-	-	-	-	-
Stokes Group Limited £	12.74	(40.51)	63.31	63.31	-	141.19	(9.30)	-	(9.30)	-
Swaraj Automotives Limited	2.40	20.57	45.33	45.33	-	85.65	3.38	1.11	2.27	0.84
Watsonia Developers Limited	0.05	(0.02)	110.55	110.55	-	-	(*)	-	(*)	-

* denotes amounts less than Rs. 50,000.
Converted into Indian Rupees at the exchange rate, 1THB = Rs 1.87 as on 31st March, 2013
\$ Converted into Indian Rupees at the exchange rate, 1USD = Rs 54.39 as on 31st March, 2013
• Converted into Indian Rupees at the exchange rate, 1AED = Rs 14.92 as on 31st March, 2013
** Converted into Indian Rupees at the exchange rate, 1MYR = Rs 17.75 as on 31st March, 2013
@ Converted into Indian Rupees at the exchange rate, 1CAD = Rs 53.85 as on 31st March, 2013
^ Converted into Indian Rupees at the exchange rate, 1AUD = Rs 56.70 as on 31st March, 2013
£ Converted into Indian Rupees at the exchange rate, 1GBP = Rs 82.34 as on 31st March, 2013
€ Converted into Indian Rupees at the exchange rate, 1EUR = Rs 69.49 as on 31st March, 2013
++ Converted into Indian Rupees at the exchange rate, 1SGD = Rs 43.73 as on 31st March, 2013
< Converted into Indian Rupees at the exchange rate, 1CHF = Rs 57.03 as on 31st March, 2013
> Converted into Indian Rupees at the exchange rate, 1CNY = Rs 8.76 as on 31st March, 2013
» Converted into Indian Rupees at the exchange rate, 1ZAR = Rs 5.89 as on 31st March, 2013
≈ Converted into Indian Rupees at the exchange rate, 1KRW = Rs 0.0492 as on 31st March, 2013

Notes



Notes



Awards & Accolades

- ▶ Mr. Keshub Mahindra was honoured with the 'Lifetime Achievement Award' at the NDTV Profit Business Leadership Awards 2012.
- ▶ Mr. Keshub Mahindra received the Lifetime Achievement Award from the Employers Federation of India (EFI).
- ▶ Mr. Anand Mahindra received the Global Leadership Award from the US-India Business Council, USA, in 2012.
- ▶ Mr. Anand Mahindra received the Best Transformational Leader Award 2012 from the Asian Centre for Corporate Governance & Sustainability.
- ▶ Dr. Pawan Goenka was presented with the 'CV Man of the Year 2012' award at the annual Apollo CV Awards 2012.
- ▶ Mr. Bharat Doshi was awarded the prestigious 'Business Achiever' award by the Institute of Chartered Accountants of India (ICAI) under the category of 'CA Business Achiever – Corporate'.
- ▶ Mr. Rajeev Dubey was presented with the 'Thought Leader Award (Human Resources)' at the Global Change Management Forum.
- ▶ Mr. V. S. Parthasarathy received the CFO of the Year award from International Market Assessment India Pvt. Ltd. (IMA) at the Ninth India CFO Awards ceremony.
- ▶ Ms. Roma Balwani received the SABRE Award for Outstanding Individual Achievement 2012, Holmes Report, USA.
- ▶ Mahindra & Mahindra Ltd. was awarded the Dun & Bradstreet – Corporate Award 2012 for the Automobile sector.
- ▶ The Mahindra Group received the Financial Times Arcelor Mittal Award for 'Boldness in Business' which is in recognition of the Mahindra Group's growing global ambition and acknowledges its innovative spirit.
- ▶ The Mahindra Group was recognised as the 'Most Innovative Company of the Year' by Business Standard, a premier Indian financial news publication.
- ▶ Mahindra & Mahindra Ltd. received a Business Leader Award in the 4-wheeler category at the NDTV Profit Business Leadership Awards 2012.
- ▶ Mahindra & Mahindra Ltd. has been awarded a Sustainable Plus rating – the world's first Corporate Sustainability label – by CII. This signifies that the company is sustainable, responsible and well-governed.
- ▶ Mahindra & Mahindra Ltd. was the winner in the Automobiles category, under the Energy Intensive Industries Cluster, in the Green Business Leaders Awards 2011-12, instituted by Emergent Ventures India and Financial Express.
- ▶ Mahindra & Mahindra Ltd. received the 'Best Managed Boards' Award at the Stars of the Industry Group Awards.
- ▶ The Bombay Chamber of Commerce selected Mahindra & Mahindra Ltd. as a winner in the Bombay Chamber Civic Awards 2011-12 in the Social Development category.
- ▶ The Mahindra Group received the coveted 'Champion of Champions' trophy at both the Association of Business Communicators of India (ABCI) Annual Awards 2012 and the Public Relations Council of India (PRCI) Corporate Collateral Awards 2013.



Mahindra
Rise.

MAHINDRA & MAHINDRA LIMITED

Registered Office : Gateway Building, Apollo Bunder, Mumbai - 400 001.
website : www.mahindra.com | email : investors@mahindra.com

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL. Joint Shareholders desiring to attend the Meeting may obtain additional Attendance Slips on request. Such request should reach the Company or its Registrar & Transfer Agents, **Sharepro Services (India) Pvt. Ltd. at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072** on or before 26th July, 2013.

I hereby record my presence at the SIXTY-SEVENTH ANNUAL GENERAL MEETING of the Company being held at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg (New Marine Lines), Mumbai - 400 020 on 13th August, 2013 at 3.30 p.m.

Name(s) of the Shareholder(s)/Proxy (IN BLOCK LETTERS)

Signature(s) of the Shareholder(s) or Proxy

NOTE : You are requested to bring your copy of the Annual Report to the Meeting.

Mahindra
Rise.

MAHINDRA & MAHINDRA LIMITED

Registered Office : Gateway Building, Apollo Bunder, Mumbai - 400 001.
website : www.mahindra.com | email : investors@mahindra.com

PROXY FORM

I/We _____
of _____ being a member/
members of MAHINDRA & MAHINDRA LIMITED hereby appoint _____ of
_____ or failing him _____ of
_____ as my/our
Proxy to vote for me/us and on my/our behalf at the Sixty-Seventh Annual General Meeting of the Company to be held on 13th August, 2013 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2013.

Signed by the said _____

Affix a
15 Ps.
Revenue
Stamp

NOTE : The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.

Mahindra



Mahindra & Mahindra Ltd.
Mahindra Towers,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400 018 India

Tel: +91 22 24901441
Fax: +91 22 24975081

FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)


(Covering letter of the Annual Audit Report to be filed with the Stock Exchanges) – For
Standalone Accounts

1. Name of the Company : Mahindra & Mahindra Limited
2. Annual Stand-alone Financial Statements for the year ended : March 31, 2013
3. Type of Audit observation : Unqualified
4. Frequency of observation : Not Applicable.
5. To be signed by-
 - Chairman & Managing Director : 
 - Executive Director & Group Chief Financial Officer : 
 - Audit Committee Chairman : 
 - Auditor of the Company : Refer our Audit Report dated May 30, 2013 on the standalone financial statements of the Company

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No 117364W)



(Shyamak R Tata)
(Partner)
(Membership No. 38320)

 MUMBAI: 30th May, 2013



Mahindra & Mahindra Ltd.

Mahindra Towers,

Dr. G. M. Bhosale Marg, Worli,

Mumbai 400 018 India

Tel: +91 22 24901441

Fax: +91 22 24975081

FORM B**(Pursuant to Clause 31(a) of Listing Agreement)**

(Covering letter of the Annual Audit Report to be filed with the Stock Exchanges) – For Consolidated Accounts

<i>Name of the Company:</i>	Mahindra & Mahindra Limited
<i>Annual Consolidated financial statements for the year ended</i>	March 31, 2013
<i>Type of Audit qualification</i>	<p>As stated in Note 36, the auditors of Tech Mahindra Limited Group (TML), an associate, based on the audit report on the accounts of its associate Satyam Computers Services Limited (SCSL) for the year ended 31st March, 2013, have issued a qualified opinion on the Consolidated Financial Statements of TML for the year ended 31st March, 2013 on certain matters, expressing their inability to comment whether adjustments would be necessary in the financial statements of TML as a result of number of items, in the SCSL accounts, including ongoing investigations and legal proceedings by various regulators and investigating agencies in respect of financial irregularities in SCSL relating to prior years; Net debit amounts aggregating Rs. 1,139.40 crores booked to 'Unexplained Differences Suspense Account (Net)' and fully provided for in prior years on grounds of prudence in its accounts by SCSL; Alleged advances of Rs. 1,230.40 relating to prior years as claimed by various companies which is presented separately in the Balance Sheet of SCSL under 'Amount Pending Investigation Suspense Account (Net)' and adequacy or otherwise of the provision for taxation pertaining to prior years.</p> <p>In view of the above, we are unable to comment on the consequential impact, if any, of the same on the Company's post acquisition Share of Profit/(Loss) of Associates for the year and Investment in Associates in the Consolidated Financial Statements of the Group.</p>
<i>Frequency of qualification</i>	Repetitive since 2011

Mahindra

Mahindra & Mahindra Ltd.
Mahindra Towers,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400 018 India

Tel: +91 22 24901441
Fax: +91 22 24975081

Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:

Tech Mahindra Limited (TML), an Associate of the Company, through its subsidiary Venturbay Consultants Private Limited (VCPL), acquired a 42.70% stake in Satyam Computer Services Limited (SCSL) during the Financial Year 2009-10. As a result of this investment, SCSL became an associate of TML as per Accounting Standard 23 "Accounting for Investments in Associates in Consolidated Financial Statements". As on March 31, 2013, the stake of TML in SCSL is 42.63%

In its consolidated financial statements, TML has accounted for its share of Profit (Net) in SCSL for the year ended March 31, 2013, as its share of Profit / (Loss) of Associate. Since TML is an Associate of the Company, the results of SCSL as recorded by TML, proportionate to the Company's holding in TML, have carried through into the Consolidated Accounts of the Company against the same line.

The auditors of TML have drawn attention to certain matters and issued a qualified opinion on the consolidated accounts of TML for the year ended March 31, 2013, expressing their inability to comment whether adjustments would be necessary in the financial statements of TML as a result of qualifications on the following matters in the auditors report on the consolidated accounts of SCSL for the year ended March 31, 2013:

- ongoing investigations / legal proceedings by various regulatory authorities in respect of financial irregularities in SCSL;
- net debit amounts aggregating Rs. 1,139.40 crores booked to 'Unexplained Differences Suspense Account (Net)' and fully provided for on grounds of prudence in a previous year in its accounts by SCSL;
- inability to determine whether any adjustment / disclosure will be required in the consolidated accounts of TML in respect of alleged advances made by certain parties to SCSL amounting to Rs. 1,230.40 (Net) (presented separately under 'Amount Pending Investigation Suspense Account (Net)' in the financial statements of SCSL)
- inability to comment on the adequacy or otherwise of the provision for taxation pertaining to prior years in the accounts of SCSL

Report

Mahindra

Mahindra & Mahindra Ltd.

 Mahindra Towers,
 Dr. G. M. Bhosale Marg, Worli,
 Mumbai 400 018 India

Tel: +91 22 24901441

Fax: +91 22 24975081

	The impact of the above qualifications on the Company's share of Profit / (Loss) of Associate and Investment in Associates in the consolidated financial statements of the Company is not ascertainable.
<i>Additional comments from the board/audit committee chair:</i>	In respect of Mahindra Satyam, an associate of Tech Mahindra. Consistent with earlier periods and audit report on CFS of Tech Mahindra
<i>To be signed by-</i> <ul style="list-style-type: none"> • Audit committee Chairman • Chairman & Managing Director • Executive Director & Group Chief Financial Officer 	  
Place : Date: Refer our Audit Report dated May 30, 2013 on the consolidated financial statements of the Company For Deloitte Haskins & Sells .Chartered Accountants (Registration No. 117364W)  Shyamak R Tata Partner (Membership No. 38320) Mumbai, 30 th May, 2013	Mumbai 30 th May, 2013